

Bush Starting Trip With Bid in Bonn To Counter Soviet

By James M. Markham
New York Times Service

BONN — Vice President George Bush arrived here Sunday on the first leg of a seven-nation West European visit that is aimed at countering a Soviet "peace offensive" and affirming the Reagan administration's commitment to arms control.

Mr. Bush's two-day stay in West Germany, which includes a stop in West Berlin Monday, is the most important and sensitive on his 12-day trip. He will also visit the Netherlands, Belgium, Italy, France and Britain, and will stop in Geneva to meet Soviet arms negotiators.

West Germany is swept up in a tense and extremely fluid parliamentary election campaign, and the outcome of the vote on March 6 could be significantly influenced by popular perceptions of Washington's attitude toward the Soviet Union and arms control.

Along with Italy, Britain, Belgium and the Netherlands, West

Germany is to receive a new generation of U.S. medium-range missiles if the Geneva talks with the Soviet Union remain stalled at the end of this year.

Opposition polls suggest that a majority of West Germans are dubious about the new missiles and hopeful of a Geneva accord. The opposition Social Democratic Party has made the missiles a central campaign issue, and has demanded that the United States match what it portrays as Soviet concessions at Geneva.

As the campaign has intensified, Chancellor Helmut Kohl has found himself caught between a wish to remain a steadfast U.S. ally and a concern that the Social Democrats will portray him as lacking commitment to arms reductions and a breakthrough in Geneva.

Like leaders in Britain and Italy, Mr. Kohl and his foreign minister, Hans-Dietrich Genscher, have recently shaded their support for the Reagan administration's so-called "zero option." This calls for the Soviet Union to dismantle an estimated 600 SS-20, SS-4 and SS-5 missiles aimed at Western Europe, in return, NATO would not deploy 572 cruise and Pershing-2 systems.

After some public floundering and contradiction, the Kohl government now argues that the zero option remains a desirable goal but that an intermediate agreement that guaranteed medium-range parity between NATO and the Warsaw Pact might also be acceptable.

But in an interview, one of Mr. Kohl's closest advisers said that the West German public had become confused by the complexities and technical details of the missile debate, and that the government was not hoping for a major departure from the zero option by Mr. Bush.

Rather, the aide insisted, Mr. Kohl believes that Mr. Bush could best "capture the West German popular imagination by declaring forcefully that President Ronald Reagan is ready for a summit meeting with Yuri V. Andropov, the Soviet leader. Mr. Andropov has created a skillful 'peace offensive' designed to make the March 6 vote a success."

The pastoral letter contained the announcement of the papal visit with an urgent appeal to the Warsaw government to restore a measure of political normality.

"Let us count on the state authorities to grant an amnesty and to undertake the other initiatives to re-establish full social justice," the Polish episcopate said.

The announcement appeared to put to rest a long period of uncertainty over the visit, originally scheduled for last August but put off when the government of Poland's martial law leader, General Wojciech Jaruzelski, advised the梵蒂冈 that internal conditions made a trip inadvisable.

As the regime in Warsaw succeeded in stopping acts of open resistance, it announced in November that the Polish prime minister, Jozef Glemp, had the visit had been rescheduled for June. But church sources said then that for the pope this was little more than an expression of his hopes.

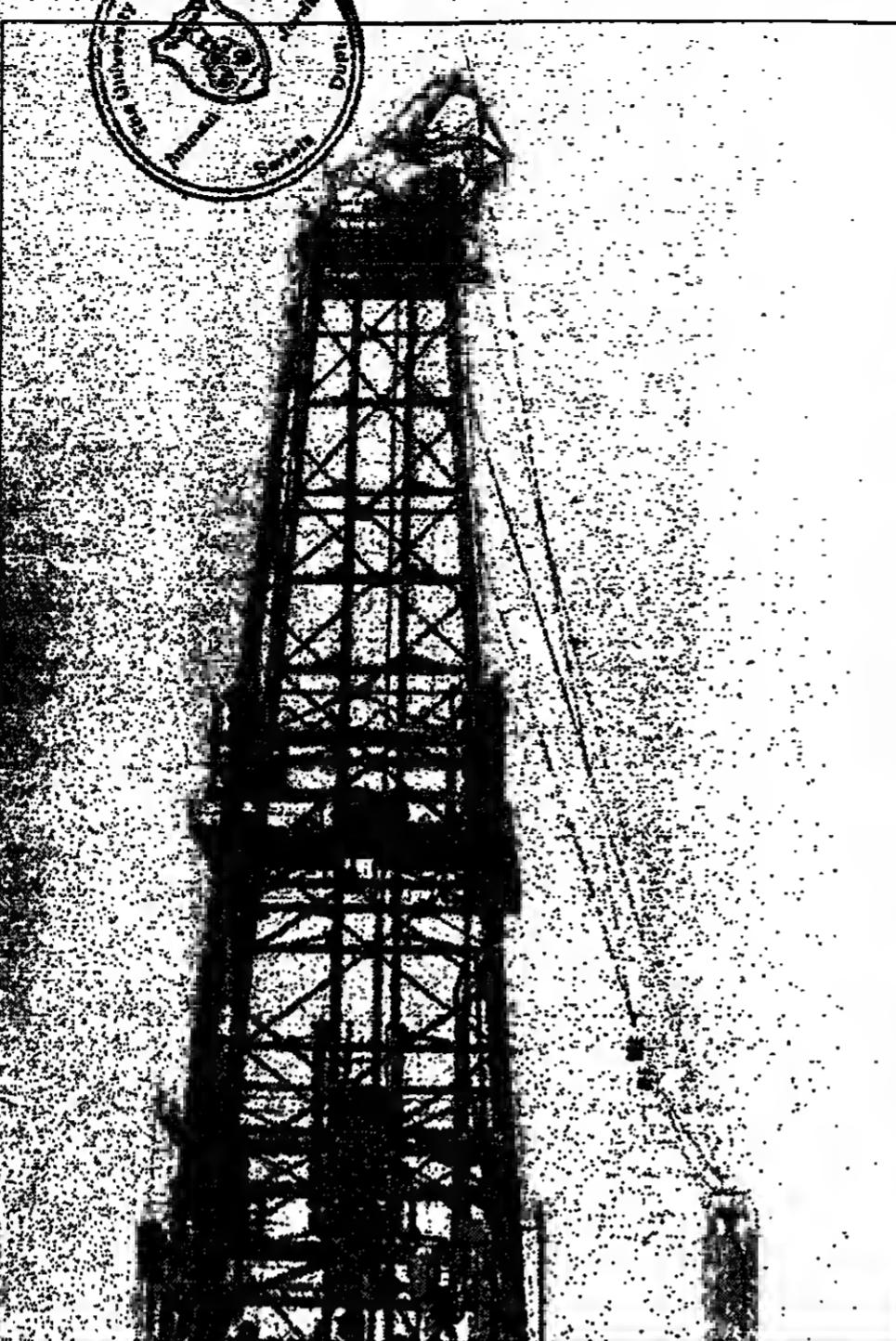
As late as Jan. 12, the pontiff himself revealed his doubts about the trip by saying in a prayer to the Virgin of Czestochowa, "To you I entrust if and how it shall take place."

Sunday's announcement came at a time when relations between the church and the Soviet Union are more strained than usual. Last month, Moscow for the first time severely criticized John Paul directly, through its Tass news agency.

This was seen here partly as an expression of irritation over charges that Bulgaria may have plotted the attempted assassination of the pope in 1981 and of anger over the pope's continued public statements of concern about military rule in Poland.

On Saturday, a senior Vatican

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A floating oil rig was still entangled Sunday in a cable car system above Singapore harbor after an accident in which seven persons died. Thirteen persons were rescued by helicopter.

7 Plunge to Death as Oil Rig Snags Singapore Cable Car; 13 Rescued

Compiled by Our Staff From Dispatches

SINGAPORE — A floating oil rig under tow snagged an overhead tramway cable Saturday, hurling at least seven persons to their deaths in Singapore harbor. Army helicopters flying in darkness and high winds rescued 13 persons, early Sunday from cable cars left dangling more than 100 feet (30 meters) above the water.

A police spokesman, Simon Cornelius, said the tower of the Panamanian-registered oil rig Eniwetok struck the cable at 6:08 P.M., jolting loose two cars that plummeted into the waters between Singapore and the resort island of Sentosa about half a mile away.

One of those saved, Stephen Wells, 22, a New Zealand serviceman, said: "It was a gut-wrenching experience for the first 15 minutes. But after a while, we got to laughing and joking to keep ourselves from panicking. When the fellow (helicopter rescuer) came around and put a ring around me, I was a little shaky."

For Mr. Kohl, a Bush endorsement of a summit would carry a personal bonus because the West German chancellor, in declarations here and on a visit to the United States in November, was the first Western leader to push publicly for such a meeting.

By contrast, an abrupt Reagan administration move from the zero option before March 6 could benefit Hans-Joachim Vogel, the Social Democratic candidate who could claim to have budged Washington into making concessions.

The Kohl adviser, who spoke on the condition that he not be identified, said it was more important for Mr. Bush to voice a readiness for a dialogue with the Soviet Union than to put forward specific proposals.

The adviser also said serious negotiations would not take place at Geneva until after the West German election. He voiced concern that the United States might make concessions now for the election, but that this might eventually weaken the Western strategic position.

If Mr. Kohl were re-elected, the adviser predicted, the Russians would negotiate "more soberly" in Geneva.

Senior U.S. and EC officials have repeatedly warned that failure to resolve the issue could bring a trans-Atlantic trade war. A warning was made earlier this month when the United States announced that it would subsidize sales of wheat flour to Egypt. Previously, European nations supplied two thirds of Egypt's wheat flour.

Mr. Baldwin declined to say whether the administration planned similar moves in other areas of the world, such as Latin America, where the Common Market and the United States intensively compete for farm export orders worth billions of dollars.

"We are seeking a narrowing of the gap between the world and the subsidized prices so that we can compete in world markets," he said. He added that he would not rule out any proposed solutions.

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U.S. aid to El Salvador may hang on a phrase, one deleted from a House resolution. Page 2.

than 30 infantry companies into Morazán. The scope of this operation, probably the biggest mounted by the army, has left government forces vulnerable to attack elsewhere.

The lieutenant colonel said the guerrillas had seized a dozen contested villages in Morazán and had threatened to take the provincial capital of San Francisco Gotera, a perennial target.

The latest military campaign has diverted some attention from an important political development, a

defeat in the Constituent Assembly for Roberto d'Aubuisson, the president of the assembly and of the rightist party known by the acronym ARENA.

On the military side, many garrisons in the east have been practically empty in order to put more

U.S. Says Lebanon Talks Show No Breakthrough

By Bernard Gwertzman
New York Times Service

TOKYO — Secretary of State George P. Shultz said Sunday that after a weeklong review of the Middle East situation the Reagan administration sees no early breakthrough in the Lebanon troop withdrawal talks and has no formula to propose except continued perseverance at the negotiating table.

In a press conference aboard his Air Force plane flying here for the start of a 12-day Asian trip, Mr. Shultz also ruled out applying pressure on Israel to make concessions. Some White House officials have suggested a cut or suspension in aid to Israel if more flexibility is not shown, but Mr. Shultz said: "I don't think that forcing people to do things that they believe is against their interest produces lasting solutions to problems."

Mr. Shultz spent much of last week with Philip C. Habib, the special Middle East envoy, and other top aides in discussions of the impasse between Israel and Lebanon over an accord leading in an Israeli troop withdrawal. The Americans hope that would be followed by troop pullouts by Syria and the Palestine Liberation Organization as well.

An aide to Mr. Shultz said that Mr. Habib would return to the Middle East in about a week or two after taking care of some personal affairs at his home in California. He said that for the time being the administration feels that intense, but normal diplomacy will be more successful than any dramatic schemes.

Mr. Shultz, talking to reporters on the plane, ruled out a trip to the Middle East himself at this time, saying that there were excellent negotiators already involved.

"In Lebanon, our objectives are clear, and so are the difficulties of attaining them," Mr. Shultz said. "Up to this point, there is a pretty wide gap, I would say, between the conditions Israel feels she needs in order to withdraw and the conditions Lebanon feels are consistent with the emergence of a new Lebanon, sovereign and in control of its territory."

"Mr. Shultz said, 'I wish I could report there were breakthroughs in the offing.'

"I'm sure there are, but I can't identify them," he said.

It was evident that he felt Israel was the more recalcitrant and said that he did not believe it would produce a lasting solution for Israel to force Lebanon to do something that Lebanon feels deeply is not in their interest," namely acceptance of political normalization at this time.

He said that the administration believed "the desirable objective is peace among Israel and all of its neighbors." But he said "the basic peace process" involves not only Israel's security, but "the legitimate concerns and rights of the Palestinians."

Mr. Shultz was careful to avoid leaving the impression that he felt there was no merit in the Israeli position. He said that although there was a wide gap between the Israelis and Lebanese, "people have to be their own judges of what their security demands, but we of course have our opinions and weigh in with them."

In his talks with Japanese officials, beginning on Monday, Mr. Shultz expects to have considerable discussions on security and arms control issues as well as trade questions. The Japanese want to be assured, U.S. and Japanese officials said in Tokyo, that the United States will not drop its so-called zero-zero option in talks with the Soviet Union on medium range missiles.

His new thinking is said to reflect growing fears generated by the greatly accelerated pace of Israeli settlements in the occupied territories, the perceived threat of Israeli aggression against Jordan's East Bank and other threats to the kingdom that he has ruled for three decades.

By offering to negotiate in good faith — and with the hope of support from the Palestine Liberation Organization and moderate Arab powers — the king, according to Jordanian officials, wants to show that in the event of failure the blame should not be laid to the Arabs.



Secretary of State George P. Shultz was greeted by Japanese foreign minister Shintaro Abe, on his arrival in Tokyo on Sunday at the start of a tour of Asian countries.

Hussein Said to Review Stance on Peace Talks

By Jonathan C. Randal
Washington Post Service

AMMAN, Jordan — Despite recurring hints that he is ready to take Jordan into U.S.-sponsored Middle East peace talks, King Hussein is having second thoughts because of American inability to obtain Israel's military withdrawal from Lebanon, according to officials and diplomatic sources here.

Well-placed Jordanians and diplomatic sources emphasized that the king is likely to announce his intention to negotiate only if the United States first conclusively undergirds its Mideast credibility by persuading Israel to withdraw from Lebanon.

The monarch's hesitation has developed despite the reported decision of the king to travel to Washington, D.C., from President Ronald Reagan that are believed to offer U.S. guarantees on the future of east Jerusalem and on the freezing of Israeli settlements in the occupied territories during peace negotiations. Moreover, the United States apparently has made clear that the availability of sophisticated U.S. weapons systems "would be easier" once Jordan has entered the peace process.

In a series of interviews last week, Jordanian officials pressed their view that Israel was deliberately stalling on Lebanon to thwart negotiations on the future of the occupied West Bank and Gaza Strip, which are a prime concern of Prime Minister Menachem Begin.

This negative view from Amman contrasts with more positive signals coming from Washington and Cairo about Hussein's willingness to take a seat at the conference table.

The fact that Hussein is leaning in favor of joining in Mr. Reagan's peace initiative nevertheless is a clear contrast with his refusal in 1978 to join the U.S.-backed Camp David accords that eventually led to Egypt's separate peace with Israel.

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The apparent failure of the special U.S. envoy, Philip C. Habib, to persuade Israel to withdraw from Lebanon's credibility, which has been damaged by the war in Lebanon and the increase in aid to Israel voted by Congress in December, Jordanian officials said.

Yet, as recently as Christmas, when Hussein returned from a visit to Washington, where he conferred with the president and other key officials, the monarch was evading confidence about U.S. determination to back him.

Hussein was so convinced by Mr. Reagan's personal commitment to bring about the removal of all foreign troops from Lebanon within two months that he would make known his negotiating intentions by March 1. A second trip to Washington was tentatively set for that month.

The king's announcement of his deadline, made in a meeting with Jordanian local leaders on Jan. 10 on the eve of Mr. Habib's departure for the Middle East, was described by diplomatic sources as "the final scene of the last act" in Hussein's plan to marshal every opportunity and argument to force the PLO to join the negotiations on his terms and obtain active Arab support.

What the king was doing, in still inconclusive negotiations, was in effect asking the PLO leader, Yasser Arafat, to step aside and abandon the dream of an independent Palestinian state, Jordanian officials said.

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Salvadoran Troops Mass as Rebels Step Up Fight

By Juan M. Vasquez
Los Angeles Times Service

SAN SALVADOR — The guerrilla forces of El Salvador are posing the strongest military threat of their two-year campaign against the government in serious fighting concentrated in the northeastern province of Morazán.

The armed forces have responded by sending about 6,000 soldiers, including all three of their elite U.S.-trained battalions, into the fighting in the hope of finally ending the guerrilla fighting.

"This is a critical action," a lieutenant colonel at military headquarters in San Salvador said. "The objective is to drive them out of there once and for all."

But analysts see this goal as difficult, if not impossible, to attain and some say it may be counterproductive even if it can be achieved.

The latest military campaign has diverted some attention from an important political development, a

defeat in the Constituent Assembly for Roberto d'Aubuisson, the president of the assembly and of the rightist party known by the acronym ARENA.

On the military side, many garrisons in the east have been practically empty in order to put more

troops in the area. General José Guillermo García, and Lieutenant Colonel Sigifredo Ochoa Pérez, commander of the garrison in the northern province of Cabanas, who refused to obey orders to leave the country on a diplomatic assignment.

It took the army about two weeks to respond to the guerrilla offensive, and the fighting in Morazán is said to have resulted in substantial casualties and the surrender of some army soldiers

Nigerian Exodus Grows As Frontier Crossing Is Opened by Ghana

Reuters

SEME, Nigeria — The exodus of West Africans expelled from Nigeria accelerated dramatically Sunday, after Ghana opened a frontier crossing to allow its citizens to get home.

On Saturday, when Ghana announced that it would open the crossing at Afiao, on its border with Togo, more than 100,000 Ghanaians were waiting at Seme, a checkpoint on the Nigerian border with Benin. Ghana closed its land borders in September in an attempt to stop smuggling and currency trafficking.

By Sunday afternoon, a double line of vehicles that had stretched for more than a mile had vanished, as authorities in Benin allowed the Ghanaians to enter on the road home through Togo.

Previously, Benin had allowed in only small groups of the undocumented foreigners whom Nigeria had ordered to leave by Monday. The Benin officials had feared that, with the Ghanaian border closed, they might have to cope with vast numbers of stranded Ghanaians.

More than 400,000 people, the bulk of them Ghanaians, have passed through Seme. Ghanaian officials have said that as many as one million Ghanaians could be living in Nigeria, by far the largest foreign group affected by the expulsion order.

Ghana's reopening of its borders also led to a rush there from the port of Lagos, where tens of thousands of Ghanaians have been awaiting evacuation by sea.

There was no definite word on the arrival of ships from Ghana to help in the evacuation, and some people were selling their belongings to raise the fare to go home by road.

Earlier Sunday, a Nigerian radio broadcast warned that all Ghanaians had been ordered to leave the port "or face the consequences." But the order, the second in a week, produced little reaction among at least 100,000 Ghanaians at the port. "They have sent no one to clear us out, and until they do we will stay," said one.

Nigeria wanted the port cleared and the people to move to a special terminal at the airport in Lagos. About 1,000 people a day are leaving on special flights to Accra, Ghana's capital, but most people at the port cannot afford the fare, which is the equivalent of \$150.

Nigerian authorities will begin searches for illegal immigrants on Monday. But Interior Ministry officials have said people who are at recognized assembly points will not be arrested.

Among the others affected by the expulsion order are citizens of Chad, Togo, Benin, the Ivory Coast, Cameroon, Niger and Upper Volta. Ghana, Togo and Benin have set up emergency reception centers for their citizens, who emigrated to Nigeria in search of work.

Nigerian authorities, in announcing the order on Jan. 17, said the aliens had abused an agreement on freedom of movement in the Economic Community of West African States. They also said some of the foreigners had been involved in the expulsion order.

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General Franco Angioni, third from left, the commander of the Italian contingent to the multinational peacekeeping force in Beirut, inspects the area where an Israeli soldier was killed in a guerrilla ambush on Sunday.

Beirut Shelled; Israeli Soldier Dies in Ambush

By Herbert Denton
Washington Post Service

BEIRUT — Shells and rockets pounded commercial and residential neighborhoods of East Beirut Sunday as Christian militiamen and Moslem Druze fighters in the hills overlooking the capital exchanged hundreds of rounds of artillery in the predawn darkness.

At least two persons were killed and there was scattered damage to buildings and cars in the worst bout of violence between Lebanese Christians and Moslem Druze fighters in Beirut since the Israeli invasion last summer.

Later Sunday, an Israeli soldier was killed and four others were wounded when rocket-propelled grenades were fired at their ar-

mored unit patrolling just south of the city.

State and privately owned Lebanese radio and television reported that the mother of a Lebanese Army colonel and another person were killed when the Israeli patrol retaliated by leveling a nearby two-story house with machine-guns and tank shells.

The Associated Press reported that the Lebanese National Resistance Front, a group that supports the Palestine Liberation Organization, had claimed responsibility for the ambush and vowed to "continue the armed struggle until every inch where an Israeli soldier stands is liberated."

An Israeli military spokesman said the attackers were operating

from an area that "in principle was supposed to be" under the control of the U.S. Marine contingent of the multinational peacekeeping force. Captain Dale Dye, a Marine spokesman, said, "There was no activity whatsoever in our area."

The day's incidents increased fears in the capital, where acts of violence are often followed by acts of revenge, that the fragile calm that has existed in recent months was deteriorating.

Druze militiamen fired more than 150 shells into the predominantly Christian eastern sector of the city and nearby suburbs. The Druze later said the shelling was in retaliation for the 500 rounds the Christians had fired into Moslem villages in the mountains, killing one civilian and damaging mosques and many homes.

The only death from the shelling reported in East Beirut was Cloihain Semex, a 70-year-old French priest, who was struck at the Brothers of Lazarus chapel in the Ashrafieh neighborhood.

Christian militiamen said the Druze had been assisted in the battles by Syrian guns farther east in the mountains, but a Druze command post in Chouyeaf, militiamen heatedly denied they had received help from the Syrians.

Police, meanwhile, said that the death toll had reached 30 in Friday's car-bombing of a building in eastern Lebanon belonging to Yasser Arafat's al-Fatah Palestinian guerrilla group.

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White House Forced to Change Its Tone Amid Evidence of Economic Mistakes

By Leonard Silk
New York Times Service

NEW YORK — President Ronald Reagan's second State of the Union Message, delivered to Congress last week and his Budget and Annual Economic Report, to be presented this week, are efforts by the administration to change its tone and correct some of the mistakes it made during its first two years.

The changes were forced on the administration by the evidence of those mistakes. The economy is in the deepest slump since World War II, with 12 million workers on the unemployment rolls and a couple of million more too discouraged to go on looking for work. Capital investments in the farm are the worst since the Depression. The prospective budget deficit for the current fiscal year is estimated at \$208 billion, with a string of big deficits to come. There's a loss of U.S. competitiveness in world markets and, at the crux of political-economic decision making, a loss of Republican congressional seats and gubernatorial mansions in the 1982 midterm election and the threatened loss of the White House in 1984.

In his address to Congress, Mr. Reagan acknowledged his economic concerns. "The state of our union is strong," he said, "but our econo-

my is troubled. For too many of our fellow citizens this is a painful period. We must all do everything in our power to bring their ordeal to an end."

And, pursuing that theme in the one statement that provoked wide applause — wide because the Democrats had decided to dramatize

correction — a "recalibration," as Martin S. Feldstein, chairman of his Council of Economic Advisors, called it in a recent interview — that might enable him to get home free with an economic recovery lasting at least through 1984 and without making major changes in his overall goal of reducing taxes, shrinking the social and regulatory role of the government and expanding its military budget.

But he had to give a little ground to his opponents and critics, including some within his own administration. Details of the Reagan budget broke just before the weekend. They showed a proposed \$84.5 billion in spending for fiscal 1984, an increase of \$43.5 billion from 1983 that would leave a \$189 billion deficit — assuming that the administration got \$43 billion in "savings" that it will be seeking from Congress.

Three-quarters of the increase in spending would go to the military, with defense going up from \$208.9 billion in 1983 to \$238.9 billion in 1984 and \$277.5 billion in 1985. That includes cuts of \$3 billion each year, which is unlikely to appease his critics. Under the Reagan plan, military spending would go up 9 percent next year, after allowing for inflation; at the same time, Mr. Reagan is proposing to cut domestic outlays by 3 percent after inflation.

His so-called freeze on social programs would trim \$19 billion for 1984. He assumes Congress will enact the recently proposed six-month delay on Social Security cost-of-living increases, for a \$12 billion saving. He also proposes to end the cost-of-living freeze to Supplemental Security Income, Railroad Retirement, Veterans Pensions, food stamps and child nutrition. Farm price supports, which could top \$18 billion this year, would be frozen for a year, at a savings estimated at \$3.1 billion. And the administration is backing a plan to cut health care costs, with a freeze on payments to doctors and hospital reimbursement under Medicare.

With all these cuts in social programs — cuts that are likely to provoke attacks on the "equity issue" — Mr. Reagan says he is determined to hold on to the third year of the cut in personal income taxes voted in 1981 and to the provision in that bill that indexes taxes starting the following year, to offset future inflation. But recognizing that the deficits in later years may be too huge for economic stability, especially if recovery is reasonably strong, the administration's budget plan also proposes a "standby" package of tax increases starting in late 1985, if the budget deficit exceeds 2.5 percent of the Gross National Product.

Even assuming Congress gives the president what he is proposing, not much deficit shrinking is likely in the next two years. The administration projects that this year's \$208 billion deficit would come down to \$189 billion in 1984 and then go up to \$194 billion in 1985. Only in the three succeeding years would the deficit come down more sharply, to \$117 billion in 1988.

On the basis of the administration's cautious growth projections — 1.4 percent in 1983, 3.9 percent in 1984, then 4 percent annually — unemployment is expected to average 10.7 percent this year, barely below the December 1982 rate of 10.8 percent, and to come down only gradually to 6.6 percent in 1988. From the 1940s to the 1970s, "full employment" was considered the equivalent of an unemployment rate of 4 percent. Mr. Reagan's economists now regard the "noninflationary" unemployment rate — one that will make the coming expansion "sustainable" — as between 6 percent and 7 percent.

Under the Reagan plan, the main move toward creating more jobs would come from the administration's fiscal policy and the Federal Reserve's monetary policy. Immediately, however, the administration is pushing a stimulative policy for recovery that promises to continue well into the 1984 presidential election year. Paul A. Volcker, chairman of the Federal Reserve, told Congress this month that monetary policy, too, is pushing for recovery.

With this twin thrust, America is indeed likely to be "on the mend" during the second two years of Mr. Reagan's term. And, internationally, the administration will be pressing as well on its industrial allies, especially Japan, to open its markets more widely to U.S. goods and to restore what the president called "sustained non-inflationary growth" in the world economy, and on Congress, for a military budget to back a "realistic military strategy" to deal with the Soviet Union.

In the budget for 1984, the year made famous more than three decades ago by George Orwell, the United States, as the leader of Orwell's first great power, "Oceania," indeed confronts the two other great powers by foresaw: Eurasia and Eastasia. In the real 1984, the threat from Eurasia, the Soviet bloc, is military. That from Eastasia, led by Japan, is economic.

As he struggles to bring new order to his economic and military strategies, Mr. Reagan is seeking to deploy Oceania's resources against both these great powers. The budgetary issue, on which the nation focused last week, is whether those resources might be overstrained.

NEWS ANALYSIS

what they see as a significant ideological change — Mr. Reagan declared: "We in government must take the lead in restoring the economy."

Were those changes primarily of tone or substance?

Mr. Reagan clearly had changed his tone. He was taking a conciliatory, bipartisan approach to Congress, recognizing the need to mend fences, and not only with Democrats. Many rebellious Republicans, including moderates and conservatives, are upset by the economic and political results of his first two years in office. In short, the normal forces of democratic politics seemed to be moving in a sharply ideological administration toward an effort to recapture the support of a broader constituency.

In Congress, Mr. Reagan would need that support to succeed in making the midcourse

Democrats Said to Consider Opposition to Arms Nominee

By Walter Pincus
Washington Post Service

WASHINGTON — Democrats on the Senate Foreign Relations Committee are to meet this week to determine whether they will oppose, as a group, the nomination of Kenneth L. Adelman to head the Arms Control and Disarmament Agency, according to a Democrat on the panel.

The meeting was set, the senator said, because Mr. Adelman's performance at his confirmation hearing Thursday was considered "appalling" by several Democrats. Before the session, the senator said, no Democrat on the committee "had strong feelings" about the nominee, except Alan Cranston of California, who was critical of him.

The panel's chairman, Charles H. Percy, Republican of Illinois, announced, meanwhile, that he

would suspend final action on the nomination until the Reagan administration gives him a "a date certain" by which it will deliver its final recommendations on modifying two agreements with the Soviet Union, the threshold test-ban treaty of 1974 and the nuclear-test treaty of 1976.

Under the treaties, the two sides agreed to limit underground nuclear detonations of weapons and peaceful devices to less than 150 kilotons, the equivalent of 150,000 tons of TNT. Both sides have pledged to honor the agreements, although the Senate has not ratified either.

Mr. Percy has been trying since 1981 to get the administration to send the agreements to the Senate for ratification. In July, President Ronald Reagan announced that he would seek amendments to strengthen the treaties' verification

provisions, but the amendments have not been proposed.

A Senate source said Friday that Mr. Percy "lost his patience" Thursday when Mr. Adelman said that he did not know if he could get a decision by the administration on the treaties.

"There is no one within the administration who wants to champion either treaty," an administration official said Friday in explaining the delay.

Meanwhile, according to sources

a battle has been going on within the administration, with one group seeking to do away with the threshold agreement in order to test higher-yield weapons, and another group wanting to improve the treaty's on-site verification provisions. The latter group believes the Soviet Union has been violating the kiloton limitations.

The sources said Pentagon and

Department of Energy officials are among the group that wants the threshold agreement to lapse so there can be a test of the MX missile warhead, which has a yield of more than 400 kilotons. The warhead is based on a design that was tested before the kiloton limitation took effect. Some nuclear scientists believe that because of design changes, the yield cannot be certified without a new test at the warhead's full power.

The State Department spokesman, John Hughes, said Friday that a decision on the improvements needed to make the treaties acceptable would be ready "in the near future."

The amendments will require Soviet agreement, an official said.

On Friday, The United States rejected a Soviet proposal for a nuclear-free zone in central Europe as being unrealistic and not contribut-

ing to security and stability in Europe.

The Soviet Union said the proposal may be included in negotiations now taking place in Vienna.

At the confirmation hearing Thursday for Mr. Adelman, who is the deputy U.S. representative to the United Nations, Mr. Cranston described him as "clearly a novice in the arms-control field".

Mr. Adelman said that he had

not thought about whether a limited nuclear war could occur or how he would respond if the Soviet Union proposed a verifiable treaty that called for the elimination of nuclear weapons.

One senator said his colleagues had been "shaken" by Mr. Adelman's performance.

The committee has scheduled another session with Mr. Adelman on Thursday.

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Waves as high as the rooftops pounded houses on the beachfront at Malibu, California.

New Storms Threaten California Coast

The Associated Press

LOS ANGELES — New storms were backed up over the Pacific "from here to Japan," threatening another week of the heavy weather that has killed 11 persons along the California coast, according to Richard Waggoner of the National Weather Service.

Protesters Want Miami Police Chief Fired in Killing That Led to Riot

By Edward Cody
Washington Post Service

MIAMI — Demonstrators confronted Miami's mayor Saturday with demands that he dismiss the police chief on grounds of racism and prosecute an officer whose shooting of a black youth set off street violence last month.

The demands at a special city commission meeting marked the most dramatic moment so far in a mounting debate over how to prevent recurrence of the two days of racial unrest in Overtown, an area a few blocks from central Miami. One person was killed and more than 40 were arrested in those disturbances.

The meeting followed a six-mile (9.6-kilometer) protest march by about 150 demonstrators that began at a video game arcade where the shooting occurred Dec. 28, and ended at City Hall.

The protesters provided Miami and its leaders with a reminder that despite civic emphasis over the Dolphins' participation in the Super Bowl football game Sunday, the Overtown disturbances remain a bitter memory in the dilapidated neighborhood where they broke out.

"What do we want?" the marchers chanted. "Justice, justice," Ray Faunroy, local leader of the Southern Christians Leadership Conference, a civil rights group, asked Mayor Maurice A. Ferre for action on demands that the police chief, Kenneth J. Harms, who is white, be dismissed and that Luis Alvarez be indicted for shooting Nevel Johnson Jr., a 20-year-old black whose death touched off the violence.

Mr. Faunroy's demand was

backed by a dozen other speakers who accused the city government of tolerating brutality against blacks and covering up police crimes.

The city manager, Howard Gary, who is black, reminded the protesters that the state attorney alone has authority to determine whether Mr. Alvarez should be indicted. The city has conducted an investigation, he said, and State Attorney Janet Reno has promised a decision within two weeks.

"There has been no whitewash," Mr. Gary said. "There will be no whitewash."

Mr. Gary said he has chastised Mr. Harms for referring to "hoodlums" during the unrest. But he reaffirmed earlier refusals to dismiss him. Mr. Ferre said the city charter makes Mr. Gary the only official empowered to fire him.

Earlier this month, Mr. Ferre, while praising Mr. Harms on some questions, wrote a memorandum to the city commission that also accused him of doing too little to increase the police department's "sensitivity to minority and human issues."

When Mr. Ferre's criticisms became public, Mr. Harms said he pleads "not guilty" to the issue of insensitivity. He added: "The community is going through a lot of aggravation. We don't need to be abused."

The Overtown violence broke out minutes after Mr. Alvarez shot and killed Mr. Johnson. Before it was over two days later, another black youth had been shot eight times and killed by police, allegedly for looting, and about 45 people,

U.S. Studies Bases as Housing for Poor

By Robert C. Toth
Los Angeles Times Service

WASHINGTON — Under orders from the White House, the Department of Defense and other federal agencies are examining the feasibility of housing some of the nation's poor and homeless in unused or underused government facilities.

"Some responses are already back, and we expect to examine them and discuss the possibilities here next week," Mori Allin, deputy presidential press secretary, said when he was asked about the plan.

Mr. Allin said the proposal originated with a group of private charters, which suggested the idea to the President's Task Force on Private Sector Initiative. The task force seeks greater participation of private companies and agencies in such areas as welfare with the goal of supplementing or replacing federal programs with private efforts.

were used to house some of the almost one million refugees who fled from Cuba in the spring of 1980, which indicates that such problems are not insurmountable.

It was not known how many persons would be candidates for such housing and care. Who would provide transportation to the camps and necessary services, including food and medical care, were among the questions being explored, an official said.

Mr. Reagan, appearing briefly at a White House luncheon attended by administration officials and reporters Friday, said he recently had taped a talk for five television stations publicizing the "job fairs."

The next day they got jobs for 5,200 people," Mr. Reagan said he was told. "All over the country local television stations are going to do the same thing."

However, U.S. military bases

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Naples Resisting Organized Crime

Marches, Strikes Protest Camorra's Violent Influence

By Don A. Schanche

Los Angeles Times Service
NAPLES — "We're fed up. The city is on fire with exasperation," said the burly Neapolitan driver, pointing from his taxicab window down deserted streets where not a single coffee bar, restaurant, store or small business was open.

"Naples has finally finished with being walked over by the criminals," Bishop Antonio Riboldi said.

Both men spoke with deep satisfaction — and hope — about the unparalleled public outrage in the Naples area for the past two months against the local Mafia-like criminal organization, the Camorra.

For two days last week, almost every artisan and commercial operation in Naples and more than a dozen surrounding towns shut down to protest the mob extortions who collect an estimated \$2 billion a year from activities ranging from big-time drug traffic to petty shakedowns.

Twice since last month, about

15,000 young people, most of them university and secondary school students, marched on the medieval castle of Don Rafael Cutolo, a mob boss, in the Camorra-controlled town of Ottaviano on the slopes of nearby Mount Vesuvius.

Like the better-known Mafia in Sicily, to which it is loosely tied, the Camorra makes life hell for the citizens who have been forced to live with it.

"Almost everyone has been forced to pay 'protection' by the extortions," said Sergio Capucco, secretary general of the shopkeepers' association that called the two-day protest strike last Wednesday and Thursday. "The situation has reached completely unbearable proportions."

In addition to the extortion market, Camorra mobsters control as much of Italy's drug traffic as the Mafia does in Sicily, hold heavy investments in the local construction industry and run huge commercial networks specializing in contraband commodities.

According to Judge Italo Barbato, 15,000 young people, most of them university and secondary school students, marched on the medieval castle of Don Rafael Cutolo, a mob boss, in the Camorra-controlled town of Ottaviano on the slopes of nearby Mount Vesuvius.

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er, an estimated 5,000 hardened criminals operating in 30 clans under two rival overlords employ 100,000 Neapolitans in contraband sales and other small-time operations while the mobsters themselves battle over their shares of the profits.

Last year, 265 people were gunned down in the streets, stabbed or, in one case, beheaded in the escalating gang war. So far this year, 23 more have died.

"I think everybody is simply fed up, especially with the drugs and the killings," said Pasquale Bruno of nearby Castellammare, one of the organizers of the student protest marches against the stronghold of the Camorra boss.

Like many of Naples' outlying towns, the shipbuilding center of Castellammare is dominated by the Camorra. The rule of "omerta," or silence in the face of criminal activity, is deeply ingrained.

Thus it surprised Mr. Bruno and others when thousands, many of them young women and girls, showed up for the first march.

The Naples shopkeepers and artisans groups encompassing virtually all commercial activities from the neighborhood auto mechanics to the city's largest department store, also were surprised at the response to their call for the protest strike. An estimated 54,000 commercial establishments joined the two-day shutdown.

Despite the protests, the victims remain frightened of the mobsters who rule the Camorra. Among the chief demands of the protest group is for a system of anonymous reporting that will make it possible for individual witnesses to remain safely unidentified when they call police to report Camorra crimes such as extortion. Mob retaliation in the past has been swift and sure.

To Bishop Riboldi, however, there is hope because people have come out in such large numbers.

"Something already has changed," he said. "The people are speaking out. The people are rebelling. This is a historic occasion."

According to Judge Italo Barbato,

much sorrow was caused. How many prayers and deepest wishes rose to heaven as inhumanity triumphed ... The name of Germany was disgraced before the eyes of humanity," Mr. Kohl said.

More than 50,000 people demonstrated Saturday on the eve of the anniversary, marching through West Germany's major cities.

In East Berlin, thousands of Germans led by the Communist Party leader, Erich Honecker, marked the date by laying wreaths on the memorial on Unter den Linden in memory of the victims of fascism and the 30 million dead of World War II, the official press agency, ADN, said.

Germany could not simply wipe away 12 years of its history under Nazi rule and pretend it did not happen, he said. "I say to all young people distrust all those who invite us to forget our history or flatter us. The danger lies in silence, which would provide a hiding for the guilty and rob us of the weapons we need to make a future."

Chancellor Helmut Kohl, in a long speech at the same ceremony that sketched the events leading up to the accession of Hitler, the beginning of dictatorship and the world war, laid heavy emphasis on the grief Germans felt about the Nazi period.

"We are moved with grief for the victims, the cities and the countries laid waste, the murdered, the martyred, the fallen, grief over the damage to European peace, grief about the divided German nation," Mr. Kohl said.

He said that military victory during the war was followed by the mass murder of millions of European Jews. "How many tears, how

marrered a similar gathering in West Berlin in November.

The Free Democrats' morale and public standing dipped precipitously after the party abandoned Chancellor Helmut Schmidt in September, bringing Chancellor Helmut Kohl and his conservative Christian Democrats to power in a parliamentary switch. Many left-wingers left the liberal Free Democratic Party in protest.

In a keynote speech at Freiburg, Foreign Minister Hans-Dietrich Genscher, the party chairman, sharply attacked the opposition Social Democrats and warned that an alliance between them and the rad-

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LETTERS TO THE EDITOR

Overlooked Skellum

Regarding "Language: A Mixed Bag Lady" (IHT, Jan. 3):

"Skell" is indeed "a beast of a bit of slang." I'm surprised, though, as a Scot, that William Safire failed to quote or refer to the beast as used by Robert Burns in "Tam o' Shanter."

*She laid thee weel thou
was a stell,* blatherin', drucken,
bletherin'...

And what a beast of a rhyme:

WILLIAM T. MCKINNON
Norwegian School of Economic
and Business Administration
Bergen-Sandviken, Norway

Cheeseballs to Come

Regarding "A Bird in the Hand" (IHT, Jan. 17):

Lettuce indeed! This brave attempt by Ann Bayard Pratt to remedy the cheeseball problem may leave a few lumps in readers' stomachs. Salad is fine with fondue, but only in the form of grass administered to the cow two or three years before consumption of our controversial specialty.

The preparation and eating of fondue is an elaborate ritual with

as many variations as there are Swiss citizens. At the Société Suisse Contre les Balles de Fondue we are working on a new edition of the classic "Le Bonheur de la Fondue." The last version (1957) weighed 3.7 kilograms.

K. GEIGER
Geneva

Coffee and Marriage

Regarding "For the Egyptian Love Comes After Marriage" (IHT, Jan. 12) by David Lamb:

The reference to the tradition of serving coffee to the prospective bridegroom, and to the coded appraisal of the coffee's quality, reminds me of a popular Arab proverb which likens the requirements for good coffee to those for a good husband: "It (he) must be strong, sweet, and brown."

DERREKA KRISHNAN
Lausanne, Switzerland

The Fleeting Dance

Regarding "Taking Steps to Save the Dance" (IHT, Jan. 21):

I have long been fascinated by dance as an art form simply because of its lack of permanence. I

Kennedy, a President Forgotten?

Although I am not a citizen of the United States, I value the special relationship which exists between my country, Great Britain, and America. In addition to this, I have always respected and admired the late President John F. Kennedy. Therefore I regarded it as a privilege to be able to visit the memorial to him in Runnymede, England, last Nov. 22.

I was glad of the solitude as I laid some flowers on the memorial and stood for a few moments silent remembrance, yet I was saddened that name was the only tribute. It may be that other tributes were laid later in the day, but as my visit to the memorial was at 1:30 P.M., I doubt it. I had somehow imagined that the U.S. Embassy would carry out some act of remembrance on this the anniversary of the assassination.

FRANK DEAS

Virginia Water, England

Perhaps it is not possible or

even desirable for an honor guard from the detachment of U.S. Marines at the embassy to stand duty at the memorial, but surely it is not too much to expect that the ambassador should send an attaché to lay flowers. It is after all only an hour's drive from London.

To gain access to the memorial I had to walk across a somewhat muddy field and then climb the stone steps, only half of which had been swept clear of leaves. While I did this willingly, I could not help but feel that more care could be taken of the memorial site. On this site of Great Britain, which the British people did gladly give to the United States of America in memory of John F. Kennedy, it is simply not too much to expect that the U.S. government could arrange for adequate caretaking.

FRANK DEAS

Virginia Water, England

Portrait of John F. Kennedy by James Wyeth.

May I ask Lauren Berdy (Letters, Jan. 24), who draws a simile between Mr. Root's writing on food and Henry Miller's "food for our souls," how come I never felt nauseated after reading a Waverley Root article?

SAM WELLER
Zurich

\$32,883 Question

As a student who is dissaving at the rate of \$12,500 per annum, I would love to know who it is that gives International Herald Tribune readers an average annual income of \$70,383.

ANDREW TAUBER
London

Good Aftertaste

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ANDREW TAUBER
London

Soviet Cracking Down On Shirkers and Graft

Campaign by Andropov Regime Considered Toughest Since Stalin

By Dusko Doder
Washington Post Service

MOSCOW — The new Soviet leadership under Yuri V. Andropov is mounting a law-and-order campaign on a scale not seen here since the days of Stalin.

The government's attack on absenteeism and corruption during the past few weeks, according to long-time Moscow residents, is comparable to, although less brutal than campaigns carried out during the late dictator's rule.

Apparently trying to make it clear that he means business, Mr. Andropov has sent vigilantes to virtually every major public establishment, from movie theaters to public baths, to search for those who had improperly taken time off from work. The vigilantes are Communist Party members deputized for medical duties and assured of police support.

A reported raid on the Sandunovskiy Bath, a favorite haunt, was the talk of Moscow. According to various reports, the vigilantes and police sealed off the bath at midday and found hundreds of persons, including some high-ranking bureaucrats who were unable to provide a convincing explanation for absence from their desks. People caught were not arrested, but their names were taken for forwarding to their superiors.

The other aspect of the current campaign is the struggle against corruption and illegal profiteering.

Senior police officials announced two weeks ago that they had developed a new information system to allow them to carry out "preventive" activities in "practically every apartment building" in the city. The system provides the police "not only with the basic demographic data" about inhabitants of these buildings but also with "evidence" about people engaged in violations of "the socialist norms of social life."

For the first time, the Soviet media have begun to question the source of wealth of some members of the elite. Pravda recently carried several articles about high-ranking party officials misappropriating state funds to build country homes for themselves and to purchase various luxury items. Another Moscow newspaper charged that party officials were using their membership in the Communist Party as a "permit" for personal enrichment.

Mr. Andropov appears to be using the law-and-order issue to gain time while new economic measures are being prepared for the next plenum of the party Central Com-



The Associated Press
Prime Minister Indira Gandhi meets with three new cabinet members. From left are Vijaya Bhaskar Reddy, minister without portfolio; Vishwanath P. Singh, minister of state for commerce, and Buta Singh, minister of works, housing, and parliamentary affairs.

Gandhi Names 12 New Ministers After Taking 7 of 60 Resignations

By William K. Stevens
New York Times Service

NEW DELHI — Prime Minister Indira Gandhi had begun to repair her Congress Party's deteriorating political position by formally accepting the resignations of seven central government ministers and appointing 12 new ones, some to newly created posts.

The dismissals and appointments, on Saturday, were the first of several that are expected to take place as part of Mrs. Gandhi's response to major electoral reverses earlier this month.

Judging by the press comments and letters to the editor, the authorities appear to be generating support for their actions at the grass roots. Since abstentionism has become a risky business, long food lines have become noticeably shorter, barber shops are not crowded at mid-morning, and it has even become pleasant to take a ride on a Moscow city bus.

If there is opposition to the measures, it is only visible among shop managers and sales personnel. The manager of a hairdresser's recently was complaining that his shop was empty one morning when it would have been full a few months ago.

Extended Shopping Planned

The Moscow city government is drawing up a schedule for longer shop hours that will come into effect within months. The Associated Press reported.

The newspaper Evening Moscow said Saturday that the Moscow executive committee's department of communal services "plans concrete measures for establishing needed order in the work of subordinate enterprises so as to more fully and better satisfy the needs and demands of Muscovites in public services without damaging their labor productivity."

For the first time since India became independent in 1947, the Congress Party was defeated in elections Jan. 5 in the southern Indian states of Andhra Pradesh and Karnataka. The stunning losses in the two Congress strongholds were generally attributed to the belief among voters that too many Congress Party officeholders were incompetent, insensitive to constituents' needs or corrupt.

The losses dramatized what is widely recognized as a progressive weakening of the Congress Party organization, which now has not

been able to win a majority in the last eight state elections, all of which have taken place since Mrs. Gandhi returned to power in 1980.

A ninth election, in the union territory of Delhi, is scheduled for Feb. 5, and the Congress Party is generally believed to be in serious difficulty in that election as well.

The question of the day in New Delhi is whether Mrs. Gandhi will be able to repair the situation well enough to ensure that her party will retain national power in the next general election, which must be held by January 1983.

In addition to the breakup in the Council of Ministers, four of the five Congress Party general secretaries have also resigned. Some chief ministers in states controlled by the Congress Party are expected to be replaced as well.

But with the reorganization barely under way, political analysts and commentators were raising doubts about the ultimate effect of the changes. Mrs. Gandhi, they said, has systematically stripped the Congress Party of much talent over the years in an attempt to discourage challenges to her dominance.

G.K. Reddy, a newspaper commentator, expressed part of this concern in an article Saturday in a paper called The Hindu.

Mrs. Gandhi, he wrote, "is left with a relatively limited option in giving a new look to her cabinet because of the paucity of talent in the party for replacing incompetent or controversial colleagues who have brought [a] bad name to the government. Despite all the

talk of drastic changes, it is more likely that she will not be able to go for more than a medium shake-up at this stage."

On Saturday, Mrs. Gandhi appointed three new members to the cabinet, or senior inner circle of the Council of Ministers, and two of them in some ways seemed to illustrate the difficulty Mrs. Gandhi might have in finding new faces and new talent.

One, Vijaya Bhaskar Reddy, was chief minister of Andhra Pradesh and led the Congress Party to its first electoral defeat in that state. The other, Vishwanath Pratap Singh, resigned last year as chief minister of the state of Uttar Pradesh after admitting his failure to maintain law and order there.

The third new cabinet member is Buta Singh, who was promoted from a second-level ministerial position after he organized what was widely thought to be a well-run Asian Games spectacle last fall.

Opposition leaders here, in the middle of their campaign against the Congress Party in the Delhi elections, have seized upon the difficulties of Mrs. Gandhi and her party. A.B. Vajpayee, the president of the Bharatiya Janata Party, the Congress Party's main challenger in New Delhi, said Saturday that Mrs. Gandhi's attempt at "political rejuvenation" looks like "an act of desperation by a leader who has lost grip over the situation."

Mrs. Gandhi is not expected to replace her entire Council of Ministers. Eight of the 59 ministers who resigned Friday were restored to office Saturday, but shifted to new posts.

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INTERNATIONAL Herald Tribune

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Both Georges at Large

It is a remarkable moment in the Reagan administration's foreign policy when the vice president and the secretary of state are dispatched to opposite points on the globe — George Bush to Europe, George Shultz to China by way of Japan — essentially for the same purpose: to try to gain back ground lost during the administration's first two years. A more graphic acknowledgment of earlier difficulties and a more earnest attempt to take remedial action are hard to imagine.

There is an edge of irony to the missions. Mr. Reagan came to the White House pledging to restore confidence in U.S. leadership. At least in Europe, the assertive and often casual nature of some of the words spoken and the measures taken in the name of restoring confidence have eroded confidence. A result is that there is serious question whether, on the key issue of missile deployment, the European allies will be able to hold to their earlier word.

Mr. Bush has the nice task of projecting his chief's firmness and reasonableness while ensuring that both are received in the proper separate mixtures by the allies, by the Soviets and by as-yet unnamed Americans back home. Is he not trying to do something entirely inconsistent? Political leaders are always having to deal with crosscutting requirements of this sort. The vice president seems to be just the right man — positive, experienced, political — to satisfy the allies' craving for a strong and sensible America. He is not in Europe to negotiate, in the sense of sitting at a table, although he will look in on the Euromissile talks in Geneva. But those talks have become increasingly sensitive to the sentiment of the gallery. Here Mr. Bush can have an important calming effect.

You might have thought that the anti-Soviet

quotient of the Reagan foreign policy would have been sweet music to Beijing's ears, sweet enough perhaps to ease the principal Chinese-American cares. But the Reagan administration's special interest in Taiwan has strained Beijing's nerves and, it seems, armed those in the leadership who may have had doubts from the start about the worth and durability of the American connection. That may be some part of the explanation for China's readiness to resume political talks with the Soviet Union.

In any event, what the Chinese are probably always most interested in finding in Washington is steadiness, control and an understanding of their special requirements. These qualities, essential to put U.S.-Chinese relations on a solid long-term basis, have not been notable in the Reagan foreign policy, least of all in the key issue of missile deployment, the European allies will be able to hold to their earlier word.

The conservative, thoughtful Mr. Shultz is the right man to speak to and listen to the Chinese right now. Some tricky current questions of technology transfer and trade have to be sorted out, and these questions and the Taiwan issue, which has received more than enough agitation in the last year, need to be kept from getting in the way of more important considerations in U.S.-Chinese relations.

These more important considerations center on a common interest in security and international cooperation. The span of formal Chinese-American relations has been brief and bumpy, and it may well take some further years for "normalization" to become normal — for the misperceptions, misconceptions and unwarranted expectations to be wrung out of the relationship. Continuing high-level consultations can make it happen sooner.

— THE WASHINGTON POST.

Falklands: Still There

The Falkland war is over but Britain's dilemma remains. It is clearly defined by Sir Nicholas Henderson, London's ambassador in Washington during the crisis: Without a deal with Argentina, the islands' development will lag and Britain will be saddled with a huge military burden. However, he wisely adds, there will be no deal until Argentina gets some satisfaction concerning "sovereignty."

Don't hold your breath. Prime Minister Margaret Thatcher is not about to concede anything to the Argentines. Democracies may be slow to anger, but they are slower still to forget. Argentina's foolish invasion and the loss of life on both sides are still fresh in British minds. With an election looming, Mrs. Thatcher has all the more reason to keep the Argentines in the dock.

The prime minister's critics hoped that a blue-ribbon committee appraising the crisis would find enough fault to move her toward compromise. But the Franks committee found "that we would not be justified in attaching any criticism or blame to the present government for the Argentine junta's decision to commit its act of unprovoked aggression."

That is not, however, the report's only message. It records the failures of British governments to find a rational solution to what should have been a minor territorial dispute. Yet from 1965 until the war, Britain could

— THE NEW YORK TIMES.

Other Opinion

Andropov, Bush, Geneva

In short, Mr. Bush is on a high-level liaison and propaganda tour; and about time, too. For far too long Mr. Andropov has had the stage of world opinion almost to himself for his bewildering "peace dove" performances.

— The Sunday Telegraph (London).

The pressure is on. People everywhere are demanding a genuine nuclear arms agreement at Geneva. It is unrealistic for some Western leaders to insist on Mr. Reagan's "zero option" under which the Russians would withdraw all their intermediate-range missiles. As for the hard-faced Mr. Andropov, if his henchmen fail to deliver at Geneva he will earn the disgust of all sensible people.

— The Sunday Mirror (London).

The Mideast Clock Ticks On

The message brought by Egypt's President Hosni Mubarak is that the U.S. peace initiative for the Middle East is in growing danger of becoming just another undelivered note in the dead-letter box of lost diplomatic opportunities. That bleak perception had already taken hold in the Reagan administration.

Has the Reagan initiative come to a dead end? Certainly the road ahead seems less than clear and open, but the diplomatic map may yet reveal some alternative routes, however bumpy, that can still be tried. There is no question, though, that the time to find a way out is rapidly receding. Washington knows that Mr. Mubarak knows that, and so does

— Asiaweek (Hongkong).

FROM OUR JAN. 31 PAGES, 75 AND 50 YEARS AGO

1908: Trouble in the Balkans

PARIS — The editorial in the Herald reads: "Trouble in the Balkans" is one of the hardy annuals which crop up each spring. "When the snow begins to melt on the mountains" is the vague date generally fixed for the beginning of trouble by the Cassandra of that much-disputed region. But the snow is still lying deep in the passes, and already the condition of the peninsula is again occupying the attention of statesmen. The Turkish authorities have ceased actively to oppress the Christian population, but they look on supinely while the rival sects carry out a war of extermination against each other. Greek, Old Serbian and Bulgarian, each striving for the mastery."

1933: Hitler Is New Chancellor

BERLIN — Adolf Hitler, an obscure corporal in the German Army in the World War, achieved the most glorious triumph in his life (yesterday) when President von Hindenburg appointed his defeated rival for the presidency chancellor of the Reich. The leader and founder of the National-Socialist movement, who only a year ago was a "man without a country," now heads a "Hansburg coalition cabinet," consisting of his own party and the Hugenberg Nationalists. The man German Republicans most dread has at last attained the highest office in the state. His cabinet includes the most dangerous foes of the Weimar Constitution and parliamentary democracy.

— Asiaweek (Hongkong).

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"Take a good look at our System 12. It's going to be setting the standard well into the 21st century."

RAND V. ARASKOG
ITT CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE

With awards for more than 600 telephone exchanges providing 2.3 million lines in ten countries, and more in the pipeline, ITT's fully digital System 12* is already installed and working in three countries. It is acknowledged to be the world's most advanced telecommunications switching system.

One radically different concept explains its success: ITT's patented fully-distributed control system.

Simply stated, distributed control means that instead of one central computer system to run the switching center, the control is at the functional

level. Each block of lines or trunks has its own microprocessor. So a problem in one place can't appear somewhere else. This is just one of the ways we ensure reliability.

On the other hand, with a centrally controlled exchange, it's possible for a single problem to cause the whole system to come to a halt.

The advantages of fully-distributed control are so obvious you would be forgiven for assuming it is built into our competitors' systems as well. But you would be wrong. Only ITT has it.

System 12 is the product of a \$700 million worldwide team effort between computer and

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This accounts for its current pre-eminence. ITT's distributed control principle is so flexible it will comfortably evolve to meet changing demands into the next century.

While others strain to catch up, ITT intends to extend its lead. System 12 just happens to be one of our best ideas.

**The best ideas are
the ideas that help people.**

ITT

MONDAY, JANUARY 31, 1983

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EUROBONDS

By CARL GEWIRTZ

Continuing Gap in Yields Shrinks Market's Demand for New Issues

PARIS — New-issue activity in the Eurobond market shrank markedly last week.

Only one dollar bond was marketed, by Nippon Credit Bank, and all things being equal it probably would not have been launched when it was. But, as it was, due to an interest rate swap, the deal had to go forward since the timing is dependent on the swap partner rather than the bond issuer.

The offering yield on the 10-year bonds was up 41 basis points (almost half a percentage point) from what the Industrial Bank of Japan offered a week earlier on its seven-year bond. But dealers said Nippon Credit was changing bonds on a when-issued basis at a two-point discount from its offering price of 93%. Even at that discount, however, the yield was almost a half-point below that of older Nippon Credit issues on the secondary market.

The problem with the Nippon issue, some bankers argued, was not that the terms offered but rather that underwriters are already fully stuffed with the inventory of the past few weeks and are unwilling to take on more. And investors, who can find much more remunerative investments in the secondary market, are full-up on bank paper, analysts said.

By contrast, there was considerable activity in the secondary market, where prices were up by almost a point — or \$10.

The flood of the recent highly priced issues also started moving but at very steep discounts. The Eksportfinans paper, bearing a coupon of 9% percent for which investors need put up only 10 percent of the subscription price now, and the balance in August, tumbled to a low of 4% where it produced a current yield of 20 percent. By the end of the week, it was quoted at 5% — still a huge discount, but getting placed.

The same cannot be said for BANF's 9% of 1989, which were offered at par and require 15-percent payment now, and the rest in August. Dealers could not be found to quote a price.

The wrongly priced, fully paid issues were also trading at steep discounts. Texaco's 9% of 1990, offered at 99%, were quoted at 94% for a yield of 10.97 — a sharp contrast to the offering yield of 9.8 percent.

The big surprise of the week was the performance of the Hoechst's 8-percent bonds of 1992 bearing warrants to purchase 22 shares of the company's stock. Trading on a when-issued basis at a discount of four points, the bonds soared to 111 by the end of the week. Short-covering by dealers who had sold paper they did not own on the expectations of replacing it at a lower price, rocketed the price higher once the quote started moving up.

The other surprise of the week was the very sharp rise in the price of zero-coupon bonds. Gain of up to 2% points, which one dealer estimated was the equivalent of a 5-percent increase, were recorded after the Japanese authorities lifted their ban on the purchase of new zero issues.

Japanese purchases will be limited to no more than one-third of any issue, but indications that the market may revive sent the prices of old issues soaring on the secondary market. As the implied yields on the zeros improved, dealers said, speculative money was diverted back to the partly-paid issues.

Nevertheless, there remains a very large gap between the yields available on the recent issues and those on seasoned issues. And that gap will have to be closed, before the new-issue market can resume its former vigor.

The unsettled market conditions produced, one casualty last week: Hanson Overseas Finance withdrew its proposed \$40 million issue that was to have been convertible into its London-listed common stock. Managers said the decline in the value of sterling rendered the stock option unattractive at this time.

By contrast, some portfolio managers said they were now attracted to

(Continued on Page 11, Col. 3)

Oil-Price Disarray Unsettles Mexicans

By Alan Riding
New York Times Service

MEXICO CITY — Before Finance Minister Jesus Silva Herzog set off on a tour of Western financial capitals over a week ago, Mexico's hard-pressed government appeared to have worked out almost to the penny how it would cover import needs and interest payments this year.

But as Mr. Silva Herzog sought to pin down foreign pledges to lend Mexico a further \$5 billion and to restructure some \$20 billion in debt outstanding, the prospect of a new drop in world oil prices following last week's OPEC meeting sent dismayed officials back to their calculators.

"Every \$1 drop in oil prices means a loss of \$300 million per year for us," said a senior official, who asked not to be named. "But every 1-percent drop in interest rates brings a saving of around \$700 million. We can only wait and see what happens."

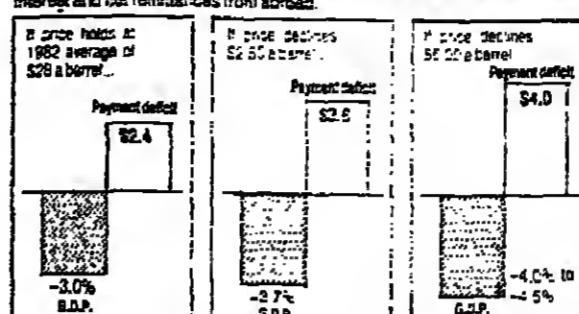
Although it is not a member of the Organization of Petroleum Exporting Countries, Mexico is the world's third-largest oil exporter (excluding the Soviet Union). In the debate on whether a lower oil price would be good or bad, Mexico — with its huge debt and near-reliance on oil revenue for foreign exchange — is often cited as the leading example of the harm a price decline could do to the country and the international banking system.

"We're walking on thin ice, but the ice could now get a lot thinner," one official said, referring to the failure of OPEC to agree on production quotas that would help sustain sagging world oil prices. "The outlook is certainly bleak."

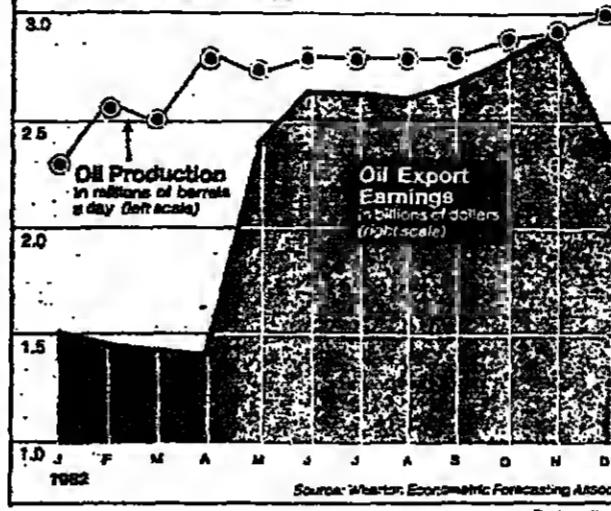
To comply with the terms of a \$3.9-billion loan from the International Monetary Fund, the two-month-old government of President Miguel de la Madrid Hurtado has already imposed a stiff austerity program involving sharp cutbacks in public spending accompanied by across-the-board price increases. As a result, real wages have fallen, unemployment has jumped and a decline in economic growth is expected in Mexico this year for the first time in memory.

At the same time, the new administration has sought to rebuild foreign confidence in the Mexican economy by relaxing foreign-exchange controls, working out an arrangement to enable private companies to cover unpaid interest arrears, and agreeing to sell off 34 percent of the shares

(Continued on Page 11, Col. 3)

How a Decline in Oil Prices Affects Mexico
In each panel, first bar indicates projected percent rate of decline in gross domestic product. Second bar indicates projected growth of current account deficit in billions of dollars, including trade in goods and services, payments of interest and net remittances from abroad.

Production Is Increased, But Revenues Fall



Source: Watson Economic Forecasting Associates

The New York Times

Oil Slump Drags Down GHR Energy

Some Analysts Say Chapter 11 Is End of Book for Stanley's Company

By Kenneth N. Gilpin
New York Times Service

to more than 1,000 creditors, making it one of the largest bankruptcy petitions ever.

In addition to owning and operating one of the largest U.S. refineries, in Good Hope, Louisiana, which have a capacity of 90,000 barrels a day and are valued at nearly \$700 million, GHR owns natural gas reserves in south Texas, which last summer were appraised at \$1.06 billion.

In 1975, Mr. Stanley took another energy company he controlled, the Worcester-based Good Hope Industries, into Chapter 11, claiming liabilities of \$233 million.

The company, which Mr. Stanley built from a string of gasoline stations in New England and New York into a diversified energy company, remained protected under the bankruptcy provisions — which allow a company to continue to operate while it develops a plan to pay its creditors — for the next five years.

During that period, rising oil prices and a \$115 million loan from Continental Illinois National Bank & Trust Co. allowed Good Hope to emerge in May 1980 with a plan to repay its creditors fully over a period of years. Analysts have called that filing a classic example of realizing the intended purpose of Federal bankruptcy laws.

In a statement, Mr. Stanley said he expected demand and prices for refined petroleum products was behind GHR Energy's decision, and he said negotiations with three oil producing countries and three U.S. oil companies for the sale of the Good Hope refinery were under way.

Mr. Stanley added that he expected the Chapter 11 reorganization to be "short-lived."

Some analysts thought otherwise. "This is Chapter 22 for Jack Stanley," said one oil analyst, who declined to be quoted by name. "He's a smart guy, but this isn't

1975," the analyst continued. "Right now, crude oil prices are falling substantially. That wasn't the case eight years ago."

Among GHR Energy's assets are \$375 million in loans owed to 14 U.S. and foreign banks. More than \$170 million of this is held by Continental Illinois, the Chase Manhattan Bank and the Seattle First National Bank, which all reported second-quarter losses as the result of energy-related loans pursued from the Penn Square Bank of Oklahoma City. The largest single sum owed — \$122.5 million — is due to France's Paribas banking group.

In a statement, a spokesman for Continental, one of the lead managers of the lending group, said, "The \$375 million claim is the balance of a previous outstanding \$750 million secured claim." The \$375 million, he said, is secured by receivables, inventory, a refinery, proven gas reserves and pipelines.

Report by MEES Fuels Speculation Of Oil Price Cuts

Reuters



Subroto

BAHRAIN — The authoritative Middle East Economic Survey increased speculation of a cut in oil prices when it reported over the weekend that the current price was no longer viable.

The Nicosia-based newsletter said a price cut by Saudi Arabia and its Gulf allies seemed likely within a month and that they would be happy with a \$4 a barrel reduction.

The Organization of Petroleum Exporting Countries is facing what ministers have called its worst crisis, after an emergency meeting of OPEC oil ministers a week ago in Geneva failed to agree on a new way to divide the glutted market to defend OPEC's \$34 reference price.

Some OPEC members — including officials have singled out Iran and Libya — are undercutting prices in an attempt to gain a bigger share of the market.

But Gulf oil analysts said Sunday that the Saudi oil minister, Sheikh Ahmed Zaki Yamani, and his colleagues, whose countries have seen production slump as they defended OPEC prices, were hesitant about making a price cut that might trigger a price war.

A cut by the Gulf states would be like opening Pandora's box," an analyst said. "There is no way of telling at what level any price would end and what damage would be inflicted to the world financial system."

The Indonesian oil minister, Subroto, left the Gulf on Sunday for home after delivering messages from President Suharto to King Fahd of Saudi Arabia and the emir of Kuwait, Sheikh Jaber al-Ahmad al-Sabah.

Diplomatic sources said they believed the messages urged the Gulf states to delay any oil price cuts.

The Iraqi oil minister, Qasim Ahmed Taqi, has called on OPEC states to abide by agreed production quotas or face a price war, which he said would be damaging for all oil exporters.

In a statement to the official Iraqi News Agency, Mr. Taqi said Saturday that Iran, Libya and Venezuela were exporting more than the shares allocated to them by OPEC, thus causing prices to fall.

He said the three countries' insistence on exporting more than their quota was the cause of the failure of last week's OPEC meeting to agree on new production quotas.

The only way to overcome the

oil glut was for all OPEC members to stick to their quotas and agreed prices, he said. "Until this is achieved, many states are threatening to take steps including price-cutting ... which will lead to a price-war whose effects would harm all oil-exporting states," the agency quoted him as saying.

Oil ministers from OPEC members in the Gulf have been in constant touch since the Geneva meeting, debating the benefits and risks of making what would be the first cut in the key price since the OPEC states took control of their own oil marketing a decade ago, informed oil sources said.

A cut to \$30 a barrel would reduce OPEC's income by \$25 billion a year and intensify pressure on the poorer members to undercut the new price, some analysts say.

Imminent emergency talks on prices were widely expected, and the Saudi newspaper al-Riyad has said Gulf oil and finance ministers were expected to meet King Fahd early this week.

■ Fahd Inaugurates Pipeline

King Fahd inaugurated on Sunday a \$1.6-billion oil pipeline across the kingdom to a new industrial city created in the desert on the Red Sea coast, Reuters reported from Jeddah.

The pipeline, running 1,200 kilometers (750 miles) from the eastern oil field terminal of Abqaiq to Yanbu, will fuel refining and petrochemical plants being built at Yabu and supply a crude oil marine export terminal.

The pipeline, which began a trial pumping of crude in July 1981, will allow some of the kingdom's oil exports to bypass the vulnerable Strait of Hormuz at the mouth of the Gulf.

Reagan May Include Oil Tax in 1984 Budget

By Robert D. Hershey Jr.
New York Times Service

WASHINGTON — The Reagan administration, in addition to proposing a \$1-a-barrel oil excise tax as a "contingency" levy for 1985 and beyond, may also include the plan in its budget for the fiscal year 1984, various analysts say.

Congressional and other sources suggested last week that by including a tax on both imported and domestic oil in its budget for the fiscal year beginning Oct. 1, the administration may be signaling interest in pushing the idea independently of the standby plan.

The standby plan is included in a package of taxes the administration says will be necessary after 1985 if federal deficits are not brought down to acceptable levels. The contingency plan is not given much chance of passage in Congress.

Including the oil tax in the coming budget is "kind of an invitation, it seems to me," commented an aide to Sen. Bill Bradley, a New Jersey Democrat. "And if you're looking for a time to do it," he added, referring to the disarray over prices within the Organization of Petroleum Exporting Countries, "this is the time."

Until now, the administration has been steadfastly opposed to an oil excise tax, a possibility that has been widely discussed both as a means to raise revenues and as a means to preserve the hard-won gains in energy efficiency that followed previous increases in energy prices.

By raising the subject, they've changed from it being totally irrelevant to meaning, well, maybe.

Other American officials said privately they feared that the Soviet Union would try to "politicize" GATT, weakening the organization at just the moment when the United States has begun a major initiative to strengthen it. "The opportunities for mischief outweigh advantages at this point," an American trade diplomat commented.

The Soviet move comes amid tension in world trade, marked by recent clashes between the United States and Western Europe over Soviet pipeline plans and agricultural export subsidies, skirmishes with Japan over general trade policy and an embryonic trade war with China over textiles.

The United States has recently argued for strengthening GATT's machinery to open up trade in services, agriculture and other sectors.

These disputes, which have been sharpened by the global economic slump, came into focus last November at a ministerial meeting of the GATT membership that almost broke down after five days, and

a tax would increase investor uncertainty, raise prices for consumers, create regional inequities and be extremely disadvantageous to United States businesses attempting to compete in world markets."

Organized labor could be expected to oppose the idea as representing a "regressive" sales tax. The American Petroleum Institute, commenting on the standby proposal earlier last week, said, "Such

But an oil tax would likely be supported by natural gas and coal interests and by certain companies such as the Chrysler Corp., whose revival is linked more than the other automakers to fuel-efficient vehicles.

Another American official noted that the Russians could use their presence at GATT for "teasing in the East Europeans." Some Communist countries, including Hungary and Cuba, are signatories of GATT.

American officials also said they fear that the Russians might try to use their GATT role to prevent trade sanctions from being used against them.

GATT observers have the right to attend meetings and make statements to the membership, but they do not participate in decision-making. They do not have to abide by GATT rules.

Moscow had asked to attend a GATT ministerial conference last November as an observer but was discouraged by the United States and other countries, American officials said.

"We're consulting with the European governments, and my impression is that we will try to head the thing off," an American trade official said.

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International Monetary Fund

Banks' Accounting Complicates Brazil Loan Rescheduling

By Carl Gewirtz
International Herald Tribune

PARIS — Getting accurate statistics has always been the bane of the Euromarket.

The Bank for International Settlements, the official scorekeeper, is constantly widening the net it uses to catch data. But its information is still far from complete and

SYNDICATED LOANS

is published with a time lag of some four months.

Just how big the information gap can be measured by the near-fatal surprise of bankers when Mexico announced in August it could not repay its debt. To fill this hole, commercial banks are currently creating their own pooled data bank.

But as some of the problems emerging over Brazil's rescheduling demonstrate, attempts to compile accurate data may be an impossible task — not the least because of the way the banks themselves keep their records.

In Brazil's case, a considerable volume of money lent to Brazilian entities was not carried on the books of banks as such. And it is known to happen in other cases as well.

As a result, bankers involved in the rescheduling of Brazil's loans are still haggling over what their exposure to Brazil really is and how much debt they are obliged to roll over. The real rub, however, is not how much debt they reschedule, but how much new money they must provide, since that sum is a function of how much Brazilian debt they currently hold.

The disputed debt was not carried by the banks as Brazilian exposure because the loans, to private companies, were guaranteed by parties outside Brazil. Bankers apparently were able, under such circumstances either to report to their board a lower level of exposure than existed or to leave more room in their internally set ceilings for more loans to Brazil — which for long had been paying the highest lending margins of any borrower, the Euromarket.

Here is the way bankers explain it: A German company, for example, would deposit \$100 million with its Luxembourg bank to be used as a guarantee for that bank's loan to the German company's Brazilian subsidiary. But the loan would be carried on the bank's books as a West German risk, rather than a Brazilian risk.

The company's Brazilian subsidiary would pay interest to the Luxembourg bank of 2½ points over the London interbank offered rate. The bank would keep a quarter-percentage point for its services and pass the remainder to the German parent company as additional interest on the original deposit.

A company would want to do this, bankers say, as a means of reprofiting profits. In effect, the Brazilian subsidiary would be transferring \$2.25 million a year (the interest at the Libor spread, minus the quarter-point service charge) to the parent. This payment would appear on the books of the Brazilian subsidiary as an expense and escape Brazilian taxes on the repatriation of profits.

For some companies, bankers say, the aim was not to escape the profits tax but simply to reprofite funds in situations where the companies had an agreement with the Brazilian authorities not to do so for a certain number of years after startup of a local operation.

Attempts to get bankers to discuss the ethics of these so-called back-to-back loans were unsuccessful.

As for the syndicated loan market, bankers were jubilant last week at evidence that the market is still operative. The mounting wave of reschedulings created doubts about whether the rank-and-file of traditional Euromarket lenders would remain active.

But the success of the jumbo loan to Denmark, now increased to \$7.3 billion from the initial \$1-billion target, has erased many of the doubts. The response to the Danish loan, one lead manager explained, "demonstrated there is a market. Medium-sized institutions look like they are ready to play."

Even before last week's formal general syndication, which began two days ago, *Guarante*, a syndicate of 24 banks operating 24 hours a day 40 hours a week, to complete the managers of the loan "had received unsolicited offers to participate in the loan."

The 42 lead managers, who underwrote \$30-to-\$50 million each, are now seeking managers at the \$15-million level, co-managers at \$10-to-\$15 million and participants at \$5-to-\$10 million or \$1-to-\$4 million.

The lead managers attribute the success of the Danish loan to the flexibility of its structure — essentially allowing each bank freedom on how much prime Libor or ECU they wanted.

The actual size of the margins over the base rate was important, one of the lead managers said, "only to the extent that the price did not give lenders a reason to turn down" invitations to join.

Bankers are now talking about the terms Sweden will offer on its \$1-billion jumbo, which is expected in the market as soon as the Danish transaction is completed. Current talk is that Sweden will not offer lenders as much freedom to construct the loan as they see fit.

The success of the Danish loan is encouraging other borrowers, which had been holding back, to come to the market. The Bank of Greece is planning to raise \$500 million and is asking banks to bid on terms for an eight-year loan.

Greece last year paid 2½ point over Libor and bankers expect it to squeeze through with a margin of 3½ point over Libor if paid last year.

At the other end of the scale is a \$100-million loan for Tampico organized by Banque Nationale de Paris. The loan, which has an average life of slightly less than six years, is priced at a slim 3½ point over Libor. However, BNP has just received permission to open a branch in Taiwan and the slim margin on the loan is clearly the price BNP is willing to pay for the privilege.

South Korea's Exchange Bank and an international group of banks proposing to arrange a \$500-million loan had reached what one participant calls a stand off over terms: KEB is seeking an eight-year loan carrying unchanged terms from what Korea paid last year — half a point over Libor or 20 basis points (100 equals one percentage point) above the prime rate. Lenders want a Libor margin of 3½ point and a ceiling on the prime rate of 13 points over the three-month rate for certificates of deposit compared to last year's ceiling of 12.5 points.

NEW EUROBOND ISSUES

Borrower	Amount (millions)	Maturity	Coupon %	Price	Yield At Offer	Terms
Nation Credit Bank Finance	\$100	1993	11%	99%	11.34	Noncallable, Payable Feb. 15.
Council of Europe	DM 160	1993	7%	99%	7.96	First callable at 101 in 1991. Sinking fund to start in 1989 to produce a 8-yr average life.
European Community	DM 200	1995	7%	99%	7.81	First callable at 102 in 1991. Sinking fund to start in 1986 to produce a 7.5-yr average life.
Hydro-Quebec	DM 200	1993	7%	open	—	Noncallable Price to be set Feb. 3.
Mitsui Osk Lines	DM 100	1998	7%	open	—	Noncallable Price to be set Feb. 3.
Swedish Credit Steel Com.	DM 100	1998	7%	open	—	First callable at 103 in 1993. Sinking fund to start in 1989 to produce a 10.5-yr average life.
Swedish Province	DKR 100	1998	7%	99	7%	Noncallable, Private placement.
Swedish Export Credit	DKR 60	1993	11%	open	—	Redeemable every 3 years of par at holder's option; new coupon to be set every 3 years; callable or holder's option every 3 years. Price to be set Feb. 10.

Yield Gap Shrinks Demand for New Issues

(Continued from Page 9)

The U.K. gilt market, where yields of 12 percent are available, "stretches" to be stabilizing on the foreign exchange market and the gilt market is one of the most liquid in the world," explained one manager.

The Deutsche mark sector also recorded one casualty, with Canadean Imperial Bank of Commerce withdrawing from its place on the new-issue calendar. The bank had hoped to achieve a lower coupon than managers of the proposed 100-million-DM issue were willing to place on it.

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Greece last year paid 2½ point over Libor and bankers expect it to squeeze through with a margin of 3½ point over Libor if paid last year.

At the other end of the scale is a \$100-million loan for Tampico organized by Banque Nationale de Paris. The loan, which has an average life of slightly less than six years, is priced at a slim 3½ point over Libor. However, BNP has just received permission to open a branch in Taiwan and the slim margin on the loan is clearly the price BNP is willing to pay for the privilege.

South Korea's Exchange Bank and an international group of banks proposing to arrange a \$500-million loan had reached what one participant calls a stand off over terms: KEB is seeking an eight-year loan carrying unchanged terms from what Korea paid last year — half a point over Libor or 20 basis points (100 equals one percentage point) above the prime rate. Lenders want a Libor margin of 3½ point and a ceiling on the prime rate of 13 points over the three-month rate for certificates of deposit compared to last year's ceiling of 12.5 points.

Now, however, these calculations seem vulnerable because of the disarray within OPEC. "Whether we like it or not, we are part of the market," one official said, "and we'll abide by the rules of the game. We'll have to adjust production, exports and prices to the market."

Before the OPEC meeting in Geneva, in an apparent effort to contribute to more stable market conditions, a Mexican mission visited all the major oil exporters, including such non-OPEC members as Britain and Norway. "Disorderly situations are bad for everyone, including financial markets," the official said.

Last week, the state oil monopoly, Petróleos Mexicanos, said it would not initiate the lowering of international oil prices nor take measures to saturate the market.

It added that it would maintain its policy of reviewing prices at the beginning of each month, which provoked speculation that a lower export price could be announced Tuesday.

At present, Mexico sells its lighter Istmo oil for \$32.50 a barrel and its heavier Maya crude for \$25 a barrel, OPEC's guideline price is \$34 a barrel.

Since Mexico became a major oil exporter in 1978, the United States has consistently bought more than 50 percent of its oil exports. Last July, Mexico also became the United States' principal foreign oil supplier, providing slightly more than Saudi Arabia.

While hoping to avoid a price drop, officials seem determined to avoid the mistake made in June 1981 when Mexico's refusal to lower its prices during the developing world oil glut resulted in the cancellation of many contracts and the loss of \$2 billion in revenue.

Rather, they are studying ways to recoup any losses from lower oil prices. "Our revenue estimate is based on exports of 1.5 million barrels a day at current prices," a Finance Ministry official said, "but

we could probably sell 200,000 barrels a day more."

Other officials are hoping that a coordinating reduction in world interest rates might offer relief. At present, Mexico expects to pay off \$12 billion in interest on its \$80 billion foreign debt. "I don't know if it is wishful thinking," the Finance Ministry official added, "but I think that the prime will be down to 9 percent by the end of 1983. And that would make all the difference to us."

On the other hand, if both oil prices and interest rates work against Mexico, officials acknowledge that the government could face a sharp devaluation of its currency.

Meanwhile, the government is hoping to sign a \$5 billion loan agreement with its principal foreign creditors this month. It also seems close to rescheduling over an eight-year period \$20 billion in principal payments coming due between August 1982 and December 1984. Last August, Mexico suspended principal payments after a sharp devaluation of its currency prompted by a huge flight of capital.

might have to accept an even deeper recession by further reducing imports or turning to the IMF or the United States for further assistance.

The growth in M-2 mainly reflects shifts in the aggregates and is not a prelude to fundamental growth," said Harold Nathan of Wells Fargo Bank.

William Griggs, of Griggs & Santow Inc., agreed, but he noted that anticipation of such an increase may cause concern in the credit markets because of uncertainty about the Fed's response.

Mr. Griggs said the most recent figures for money market deposit

Analysts Forecast Huge Bulge in M-2

By Marguerite Nugent
Reuters

NEW YORK — The rapid

growth in the interest bearing money market deposit accounts introduced on Dec. 14 will result in an increase of between \$30 billion and \$60 billion in the broader M-2 measure of the U.S. money supply for January, according to forecasts of money market analysts.

The analysis noted, however, that most of the increase does not appear to reflect any fundamental growth in that aggregate. As a re-

U.S. CONSUMER RATES

For Week Ended Jan. 28

Passbook Savings.....	5.50%
"All Savers" Certificates.....	N.A. %
6-Month Savings Certificates.....	8.64%
Tax-Exempt Bonds	
Bond Buyer 20-Bond Index.....	9.66%
Money Market Funds	
Domestic 7-Day Average.....	7.80%
Home Mortgages	
FHLB Average.....	14.22%

accounts suggest M-2 could be up about \$60 billion in January.

He said that if the increase is that large, the market will need some form of reassurance from the Fed that it will not tighten the money supply. He suggested this might come in the form of a discount rate cut or in testimony by Paul A. Volcker, the chairman of the Federal Reserve Board.

However, the M-2 figure for January is due Feb. 11 and Mr. Volcker will not present the Fed's goals for monetary policy to Congress until Feb. 16.

Mr. Griggs suggested the Fed could take a cut in the discount rate, currently 8½ percent, to coincide with the M-2 release to show the market it does not consider M-2 growth a problem.

In testimony last week before the Joint Economic Committee of Congress, Mr. Volcker reaffirmed the Fed's commitment to combating inflation, while saying the Fed would also encourage economic growth.

He also said he did not consider the recent growth in the aggregates as inflationary.

Analysts believe that the Fed is acting cautiously because of the controversy in Congress over the budget. Mr. Nathan said he doubted the Fed would take any easing action until there is some progress on the budget.

Gold Options (prices in \$/oz.)		
Price	Feb.	May
490	19.00-21.00	46.00-50.00
510	11.00-14.00	37.50-41.50
530	7.00-10.00	32.50-37.50
550	5.00-7.00	28.50-32.50
570	3.50-5.50	27.00-31.00
590	—	25.50-29.50
610	—	24.50-28.50
630	—	23.50-27.50
650	—	22.50-26.50
670	—	21.50-25.50
690	—	20.50-24.50
710	—	19.50-23.50
730	—	18.50-22.50
750	—	17.50-21.50
770	—	16.50-20.50
790	—	15.50-19.50
810	—	14.50-18.50
830	—	13.50-17.50
850	—	12.50-16.50
870	—	11.50-15.50

Over-the-Counter

NASDAQ NATIONAL MARKET

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SPORTS

'No-Name' Dolphins, 'Skins Meet in Super Bowl

By Bruce Lowrie

The Associated Press
PASADENA, California — Regardless of the outcome Sunday's Super Bowl XVII shaped up as a victory for the common man. That is the essence of the Washington Redskins and the Miami Dolphins.

Neither has flamboyant superstar the likes of Tony Dorsett or a Mark Gastineau. Neither is the darling of the media — the American Team or Sack Exchange.

And neither is the embodiment of greatness. Not yet. Yet greatness must start somewhere, and it was to start for either the Dolphins or Redskins in the Rose Bowl, whose

turf had been covered by a tarpaulin during a week of periodic torrential rains.

The greatness may vanish almost as soon as it arrives. Not since the Pittsburgh Steelers defeated the Los Angeles Rams, 31-19, more than three years ago has a team played in consecutive Super Bowls.

A team doesn't win big ones back-to-back until it has won its first big one; it does not get to the Super Bowl until it's survived the playoffs; it doesn't get to the playoffs until it has beaten enough challengers.

And it does not defeat those challengers until it has the right

blend of players. That is the business of building such winners as the Redskins and the Dolphins, two once-proud teams fallen on hard times and then painstakingly retooled to meet in only the second rematch in Super Bowl history.

Retooled, in fact, by the same man — Bobby Beathard, once Miami's director of player personnel and now Washington's general manager.

Beathard joined the Dolphins in 1972, their perfect year and the second of their three consecutive Super Bowl seasons. By the time he left for Washington in 1978, Miami was again a contender.

That was the year he and Jack Pardee, then head coach, inherited a Washington team devoid of prime draft choices. Beathard dealt with what little leverage he had and slowly rebuilt the Redskins, too. The fruits of his labors are now on display on both sides of the line of scrimmage.

On one side defensive end Kim Bamberger, nose tackle Bob Baumhower, linebackers A.J. Duhe and Larry Gordon — members of Miami's "Killer Bees" defense. On the other: tackle Joe Jacoby, guards Russ Grimm and Fred Dean, "the Hogs" of the Redskins offensive line.

There is more to these teams than those units, but they typify the Super Bowl foes — hard work and teamwork.

Each team also has its stars, but even they have yet to be elevated to either instant or lasting recognition.

In the past decade there has been only one Roger, only one Terry, in the National Football League. Washington's quarterback is a guy named Joe. And if Theismann is just now gaining national attention, Miami quarterback David Woodley remains a mystery.

Running backs? Tony, Earl, Franco — yes. But who's John? Perhaps even the Redskins don't know the enigmatic Riggins all that well, except to discover he's been all but unstoppable since the playoffs began. And who is Miami's Andra Franklin, other than the third-best runner in the league this season?

There's not a Swann among the

strike occurred, stuck together. Some teams' players scattered across the country. Many of the Dolphins and Redskins continued

wide receivers, just a bunch of ugly ducklings like Charlie Brown of the Redskins and Tommy Vigorito of the Dolphins. They get the job done, not with particular grace, but they get it done.

Doubtless NBC, which was televising the game, would have preferred the Dallas Cowboys to Washington, the New York Jets to Miami — Big D vs. the Big Apple. But as Miami's coach, Don Shula, said: "Some people might prefer to see other teams here, but we're the team that are here. We've earned that right."

Shula was in the Super Bowl for the fifth time (the fourth with Miami) and for the second against the Redskins. Joe Gibbs, in his second year as Washington's coach, was in it for the first time. They are more than 10 years apart in age and more than 200 victories apart in their careers, yet they are not all that different. Each believes in making the most out of what he has and in making the fewest mistakes to achieve that end.

Each team was penalized less than the opposition this season. Each fumbled fewer times than the opposition. Each intercepted more passes than it had intercepted.

"If you look at these two teams," said Theismann, "I think the parallels you find are that neither has that explosive offense or crushing defense that has a name tagged to it yet; that they're well-coached, well-disciplined; that they go out and execute. They're not necessarily going to see spectacular plays but you're going to see a lot of good football."

These are teams which, when the strike occurred, stuck together. Some teams' players scattered across the country. Many of the Dolphins and Redskins continued

to work out regularly, a tribute as much to the coaches for whom they worked as to themselves.

When play resumed after eight weeks, the work paid off. Washington finished the strike-shortened nine-week regular season with eight victories, the best record in the National Conference. The Los Angeles Raiders had the best record in the American Conference, 8-1. Miami might have shared it but for the timely appearance of a snow plow on a wintry New England day, and finished 7-2.

In the playoffs, the Dolphins avenged a loss to the Patriots, avenged a loss of a year ago by defeating San Diego and beat the Jets for the third time in the season.

Riggins was the key in Washington's playoffs. He rolled up 119 yards against Detroit, had 185 yards and a touchdown against Minnesota and another 140 yards and two TDs against Dallas in the NFC title game.

The biggest name in Miami's "No-Name" defense of a decade ago — accounting for two Super Bowl victories — was Bill Arnsparger, the assistant coach who developed and refined the concept of systematic substitution, of confronting specific situations with specific defenses. It was revolutionary back then but today is a staple in every team's game plan.

On Sunday, two less than spectacular offenses were to line up against two opportunistic, aggressive defenses. Some predicted a yawner.

"What some people call boring," Shula has said, "others call fundamental. If there is such a thing as a football purist, that is his kind of game."



Franz Gruber during Sunday's World Cup slalom: "I knew one day that I would win."

Gruber Wins First Cup Race*Led Press International*

KRANJSKA GORA, Yugoslavia — Austrian Franz Gruber stayed on his skis while his more accomplished rivals toppled like ninepins Sunday as he won a slalom race here ahead of Sig Strand of Swe-

den and Michel Canac of France.

It was Gruber's first World Cup victory, and Austria's first slalom triumph since Klaus Heidegger won in Kitzbühel in 1979. By finishing third, Canac became the highest-placed Frenchman in 10 years.

Saturday's giant slalom here was also won by an Austrian as Hans Enn, whose career was threatened by a car crash two years ago, claimed victory over Max Julian of Switzerland and Ingemar Stenmark of Sweden.

A bad fall, in which he broke his left foot, sidelined him for most of the 1981 season, and he aggravated that injury in a car accident the following year. Enn first showed signs of recapturing his form this season with a second place in a supergiant slalom at Val d'Isère, France, in December.

"This is a beautiful moment for me," Enn said Saturday. "Today's victory was more important than at Waterville Valley because it showed I have come back successfully from my injury problems and my car crash. After the crash, the doctors said I would not ski again, but I proved them wrong."

But the Swede seemed too nervous on his second run, clocking 44.95. Gruber, who had been lying fourth after the opening heat, seized his chance and clocked 43.06 to add to his opening 45.56.

"Everybody was saying I was only good enough to finish second, third or fourth," Gruber said. "But I knew one day that I would win."

The first-heal casualties included the two leading slalom specialists — Stenmark and Phil Mahre. Stenmark, with two victories this season, slipped on the lower half of the course, and Mahre, holder of the overall cup title for the past two seasons, wiped out near the same part of the track.

In Saturday's giant slalom, Enn posted the fastest first-heal time of 1 minute, 13.49 seconds. He followed it with a blistering 1:10.70 to finish with an aggregate time of 2:28.62 seconds for his two runs; the 57-second 1,013-meter pist had a vertical drop of 185 meters (610 feet).

"I jumped too much to the side when I entered the finishing schuss," Kirchler said. Another up-and-coming Austrian, 19-year-old Veronika Vitzthum, finished third in 1:25.44 despite her high starting number of 30.

Said De Agostini afterwards: "You never have a perfect race because you always make a couple of mistakes. But today I had a near-perfect one, it was the best race in my life."

"I felt I achieved an excellent balance between taking risks, letting my skis go and digging in the edges when necessary."

Tamara McKinney, who finished sixth in Sunday's slalom, maintained her lead in the overall standings, but Hanni Wenzel closed to within a point of her by picking up an extra 25 points for winning the combined event, which linked the downhill and slalom into a paper race.

"It just didn't come together today," said McKinney.

McKinney, who picked up 10 points each from the slalom and combined, is leading with 162 points.

Wenzel has 161, and Hess, the reigning champion, has 135.

It was Julian, lying third after the first heat, who supplied the main challenge with the fastest second-heal time of 1:10.37. That put him ahead of Stenmark to second spot with a 2:24.45 for his highest-ever finish.

Enn, 24, won the bronze medal in giant slalom at the 1980 Winter Olympic Games in Lake Placid, New York. He won a giant slalom later that season at Waterville Valley, New Hampshire, but he has not had much success since.

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Stenmark was 38-bundtches of a second behind Enn after the opening leg. The crowd then waited for Stenmark to produce one of his renowned second-run charges. But he posted a disappointing 1:11.02 and finished with 2:24.89.

MEN'S SLALOM1. Franz Gruber, Austria, 1:24.45
2. Sig Strand, Sweden, 1:25.56
3. Michel Canac, France, 1:29.43
4. Paule de Chesa, Italy, 1:29.77
5. Paul Frommet, Liechtenstein, 1:30.14
6. Klaus Heidegger, Austria, 1:31.42
7. Klaus Heidegger, Austria, 1:31.71
8. Helmut Gstrein, Luxembourg, 1:31.97
9. Marc Girardelli, Luxembourg, 1:32.01
10. Didier Bouvet, France, 1:32.03
11. Peter Pfeifer, West Germany, 1:32.23
12. Peter Pfeifer, West Germany, 1:32.23
13. Horne Sots, Austria, 1:32.29
14. Alex Gleroi, Italy, 1:32.30
15. Paul-Arno Skjern, Norway, 1:32.40**MEN'S GIANT SLALOM**1. Hans Enn, Austria, 1:24.19
2. Max Julian, Switzerland, 2:24.45
3. Ingemar Stenmark, Sweden, 2:24.87
4. Roberto Ermati, Switzerland, 2:24.93
5. Peter Strel, Yugoslavia, 2:25.14
6. Helmut Gstrein, Austria, 2:25.31
7. Alen Gjorgji, Italy, 2:25.55
8. Jacques Lüthi, Switzerland, 2:26.42
9. Thomas Bürger, Switzerland, 2:26.42
10. Peter Giger, Switzerland, 2:26.50
11. Andre Clément, Switzerland, 2:26.52
12. Boris Strel, Yugoslavia, 2:26.51
13. Peter Strel, Yugoslavia, 2:26.53
14. Balon Krizaj, Yugoslavia, 2:26.54
15. Christian Orlitsky, Austria, 2:26.57
16. Andreas Wenzel, Liechtenstein, 2:28.84**WORLD CUP STANDINGS**1. Peter Strel, Switzerland, 123 points
2. Peter Strel, Austria, 123 points
3. Ingemar Stenmark, Sweden, 123 points
4. Roberto Ermati, Switzerland, 123 points
5. Peter Strel, Yugoslavia, 123 points
6. Max Julian, Switzerland, 123 points
7. Jacques Lüthi, Switzerland, 123 points
8. Thomas Bürger, Switzerland, 123 points
9. Peter Giger, Switzerland, 123 points
10. Andre Clément, Switzerland, 123 points
11. Boris Strel, Yugoslavia, 123 points
12. Peter Strel, Yugoslavia, 123 points
13. Balon Krizaj, Yugoslavia, 123 points
14. Christian Orlitsky, Austria, 123 points
15. Andreas Wenzel, Liechtenstein, 123 points**Quario Women's Slalom Victor; De Agostini Dominates Downhill**

Compiled by Our Staff From Dispatches

LES DIABLES, Switzerland — Mario-Rosa Quario of Italy skied superbly in the second heat

Sunday to win a women's World Cup slalom after lying third at the end of the first run. On Saturday,

Doris de Agostini picked up her third downhill victory and virtually sewed up the World Cup downhill championship.

Quario flew down the course in 39.87 seconds after clocking 41.85 in the first heat and took first place with an aggregate time of 1:21.72 seconds.

Hanni Wenzel of Liechtenstein finished second in 1:22.29 and Dorotea Thalke of Poland was third in 1:22.50.

Roswitha Steiner of Austria finished fourth.

Erika Hess of Switzerland, fifth after the first leg, compromised his chances of retaking the lead in the overall cup standings when she hooked a ski on a flag pole and was disqualified.

Quario said concentration was a key to her first World Cup victory since 1979.

"I didn't even notice that it was raining," she said. "I just concentrated on the course and tried to ski well."

The occasional heavy rain plagued the race. At one point during the first run, four skiers in a row left the course.

The track seemed somewhat better in the second run, and Quario said it didn't hurt her that her coach laid out the course for the second heat. Her 39.87 was the final run's best clocking.

Wenzel posted a leading 49.67 in the first.

In Saturday's downhill, De Agostini

barreled down the wet, 2,112-meter track with a vertical drop of 505 meters (1,666 feet) and 27 gates in 1 minute, 24.65 seconds. It was the eighth cup downhill victory of her career and her seventh on the same pair of skis in the last three seasons.

Second was Elisabeth Kirchler of Austria, the only competitor who could still catch De Agostini in the downhill standings. Kirchler, 20, was fastest on the top section but lost her edge over De Agostini in the lower stretch, finishing in 1:25.13.

"I jumped too much to the side when I entered the finishing schuss," Kirchler said. Another up-and-coming Austrian, 19-year-old Veronika Vitzthum, finished third in 1:25.44 despite her high starting number of 30.

Said De Agostini afterwards: "You never have a perfect race because you always make a couple of mistakes. But today I had a near-perfect one, it was the best race in my life."

"I felt I achieved an excellent balance between taking risks, letting my skis go and digging in the edges when necessary."

Tamara McKinney, who finished sixth in Sunday's slalom, maintained her lead in the overall standings, but Hanni Wenzel closed to within a point of her by picking up an extra 25 points for winning the combined event, which linked the downhill and slalom into a paper race.

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McKinney, who picked up 10 points each from the slalom and combined, is leading with 162 points.

Wenzel has 161, and Hess, the reigning champion, has 135.



Doris de Agostini...Near-perfect.

series of near-misses Friday night at Madison Square Garden.

Carl Lewis uncorked his most consistent series of indoor long jumps — four over 27 feet and a winning 28 1/4, but missed toppling the world indoor mark (28 1/4) by three-quarters of an inch.

Eamonn Coghlan won his fifth Wanamaker Mile (3:54.40), but lost several seconds when his pace-setter, Mike Fricker, was late off the starting line and was blocked in getting to the front. Mary Decker-Tabb's victorious 24.27-millimeter women's mile was more than four seconds slower than last year's, mostly because she stumbled while trying to pass a rival who had already led.

Billy Olson and Louise Ritter set meet records in the pole vault (18' 6") and women's high jump (6' 5"). But both missed three attempts at world-best heights.

"You get more alights in January than February," Howard Schmitz, the meet director, said Saturday in assessing the performances. "We missed a few really great performances by a week or two."

Any other meet would be delighted by 28-foot long jumps, 3:

LANGUAGE

Matters of Anatomy

By William Safire

WASHINGTON — "I've had it up to my keister," said President Reagan, expressing his irritation at unauthorized disclosures of his private conversations. My telephone immediately began ringing; since the analysis here of "dippy doodie," people come to me for the etymology of Reagan's decidedly outdated Americanisms.

Kestier, pronounced KEES-ter, has a meaning of "suicide, satchel, handbag," with a frequent connotation of "burglar's toccette"; it is probably a borrowing, through Yiddish, of the German "Kästchen," meaning "chest." In 1931, American Speech magazine gave that definition along with another: "Kestier, a satchel; also what one sits on."

Now we are coming to what the president had in mind. Researchers at the Dictionary of American Regional English provided me with a printout of words used to describe jocularly the portion of the anatomy that Reagan had it up to, by frequency of use. The most popular word is not to print in The New York Times, but the others are *farin*, *rump*, *bottom*, *rear end*, *behind*, *rear*, *seat*, *tail*, *can* and *backside*. Less frequently used are the French *derrière*, the British *bum* and the high-falutin *posterior*. The president's choice, *keister*, is far down the list, between *cheeks* and the Yiddish *teckis*; slang lexicographers are keeping their eyes on *bum*, now enjoying a vogue far from South Suckout, where it takes two to tango.

IHAVE come across a contemporary custom," writes Christian Rendiere of Hamden, Connecticut, "particularly among the younger successful executive class. For greeting, at one time, there was the bow. Then the embrace. Then kissing. Recently I have come to see more and more of that age group 'shouldering'."

Rendiere, like Adam on Naming Day in the Garden of Eden, has coined a word to describe a phenomenon that has gone unreported partly because it is unnamed.

At cocktail parties, or soirees after football games — usually when people have food in one hand and a drink in the other — a new and curious form of physical contact is

made. It has nothing to do with sex, and is engaged in by men with men, men with women, and women with women. The greeter rubs his or her shoulder gently but briskly, against the shoulder of the greeted, who smiles and either accepts the rub demurely or enthusiastically rubs back.

Before addressing the linguistic side of this, let us get an expert opinion on the social side from Judith Martin, the United Feature Syndicate's "Miss Manners," and author of the novel "Gilbert: A Comedy of Manners," published by Atheneum.

"I have noticed the new social practice, too," says Miss Martin-Manners, "and would be delighted to have it given a name, although not 'shouldering.' In manners, we may, within the outer limits of politeness, give someone the cold shoulder (an abrupt turn of the body, shoulder first, at the approach of someone one wishes to snub), but not a warm shoulder."

Is the new greeting correct, or at least acceptable? "The new gesture seems an excellent response to the current enmity in social greetings," replies the author and novelist. "With some people shaking hands, some kissing one cheek, some the ear next to one or two cheeks, some hugging, there are a great many mishaps. Rubbing shoulders, or just lifting shoulders (the right one only, so it does not resemble a shrug) seems within the tradition of vestigial gestures and very practical, as Rendiere points out, for those who have their hands full, as so many people do these days."

Although she accepts the practice, a tiny frown appears on Miss Manners' ladylike brow at the word *shouldering*. I would smooth out that line because the participle form is not these days. *Parenting* has joined *mothering* and *fathering*, soon to be followed by a coinage for dealing with one's parents such as *childering*. *Shouldering* has a clear analogy in *elbowing*, which is not a greeting but an action taken in shoving for clothes in discount stores.

Other coinages for contact while clutching canapés will be entertained, but the new greeting is here to stay. For further notice:

New York Times Service

Estelle Winwood: A Feisty 100

By Aljean Harmetz
New York Times Service

LOS ANGELES — Estelle Winwood tips Galia cream sherry, plays bridge three times a week, smokes three packs of cigarettes a day and just turned 100.

Wearing brown brocade and a huge triangular hat, gold bracelets on both arms and black patent-leather pumps, and looking like a cross between a medieval queen and a carving of an ancient Egyptian princess, the fey and deft character actress of more than 40 Broadway plays and a score of movies sits on her sofa at noon sipping her drink.

Most noon she is still asleep in her four-poster bed. The habits of a lifetime in the theater are not easily broken. She eats breakfast at 12:30 P.M., reads in bed until 3 — she is currently halfway through Kenneth Tynan's "Show People" — and then begins telephoning for a bridge game or an escort to take her out to dinner, perhaps to Ma Maitson's trendy French bistro across the hills from her white stucco San Fernando Valley home. She goes out most nights. If she is forced to dine at home, she is likely to be so angry that she will smoke a pack of cigarettes in place of eating dinner.

For her 100th birthday Jan. 24, there was a party. President Reagan sent a telegram. Queen Elizabeth II sent a letter. Actors Equity gave her 100 red roses.

Fairy godmother in Leslie Caron's Cinderella in MGM's 1955 movie "The Glass Slipper," one of the madwomen of Chaliot" on Broadway in 1949, she was most often in some comedy by Noel Coward, James M. Barrie, Oscar Wilde or George Bernard Shaw. "The shine and polish of porcelain ware," Brooks Atkinson, the drama critic of The New York Times, wrote of her Lady Bracknell in Wilde's "The Importance of Being Earnest" in 1939.

For Winwood, life is long and art but a passing fancy. "I've never taken life seriously about being an actress," she says. "I haven't any advice. Everything's luck. If you lose, you have to leave acting, if you win, you make a fortune. I've always looked on 100 as something for my great-great-grandmother in England. Coming to me it's like a punishment. Who wants to be 100?"

"Isn't it better than the alternative?" "I wouldn't mind being dead," she says. "It would be something new."

Winwood lives relentlessly in the present: "I don't think about careers. I think about how many people are coming to tea."

"I don't want to tell you lies," she says, struggling with the memory of her four years and some 300 plays at the Liverpool Repertory Company, where she got her training. "I was a very clever girl then. I still am." A moment later she insists that her parents were delighted when she went on the stage just before the turn of the century. "My family



The Associated Press

Centenarian Winwood: Waiting for "something wonderful to happen."

ly, being English, didn't mind. It's only Americans who make a fuss about such things." Her biographer, Bill Singer, sitting in a corner, whispers: "Her father objected strenuously. Her mother favored it."

Her father was "an important civil engineer, and we had our own tennis court," she says. Her father, she believes, died young on that tennis court. "I can't do now the things I did then," she says, "play tennis all day long." She can, however, see without glasses, eat or drink anything she likes without worrying about it.

"Nobody could live with that woman. She's mean," says Obelia Myers, her daytime companion of the last 17 years, affectionately. "I get along with her so long as I go home every night."

"I've got my dog," says Winwood. "I adore animals." She strokes the white poodle that lies beside her on the couch. "Lilly, do you love your Mum?"

Winwood is somewhat deaf and refuses to wear a hearing aid. "You don't miss anything not listening to conversations." During the last decade she has broken both hips and since she refused therapy, she walks with a cane. But her long bony fingers with the bright red nail polish do not tremble as she picks up her glass.

The glass is decorated with the queen of hearts. "I've never not been married," she says.

The living room crackles with one-liners from Winwood's brightly painted lips. (In 1919, three years after her Broadway debut, she defiantly chose to wear lipstick off the stage as well as on, an action that dismayed the society of the day.) "You're coming for a week or two?" she asks a photographer as he puts down his bulging camera bag. Or, when it is pointed out that her views on acting have changed since an interview published nearly two decades ago, "If I didn't change in 17 years, I'd be in the lunatic asylum."

She loves old silver and, she says, never had a woman friend except Tallulah Bankhead. "I don't like women. I think they're silly," she says with a gesture of dismissal.

Is there anything she would really like?

She takes a thoughtful sip of her drink and a last drag on her cigarette and says, "I'd like something wonderful to happen."

ARIZONA POSTCARD

Tucson con Carne Seca

By Charles Hillinger
Los Angeles Times Service

TUCSON, Arizona — Tucson's city manager, Joel Valdez, says he never eats Mexican food when he travels.

"You see people in Tucson are spoiled. Tucson has the best Mexican food in America. Many say our food is better than that found anywhere in Mexico."

The El Charro restaurant in the El Presidio Historico section of downtown Tucson and other Mexican restaurants throughout the city proclaim the superiority of Tucson's Sonoran-style Mexican cuisine boldly across the top of menus:

"**TUCSON — MEXICAN FOOD CAPITAL OF THE WORLD!**"

"The difference is our food is steeped in the cooking tradition brought to Tucson by pioneering families from the state of Sonora over a century ago," explained Carlotta Flores, who with her husband, Ray, owns and operates El Charro.

Even lunch counters like the 50-year-old Rapido across from the Tucson Museum of Art are claimed as a gourmet's delight.

Rapido, in the same family size

1932, came by its name because Armando Perez, the founder, was first in Tucson to use an automobile to deliver food, in 1930. Plymouth.

For 50 years, customers have been lining up at midday outside the tiny food stand to buy red chile *burritos*.

simple as a cheese crisp on a gila flour tortilla.

"There are many reasons why Flores explained. "Spices, method of cooking. The fact we eat our food in lard. Our tortillas are homemade, not machine made; our chile is ground fresh every day. We don't use chili powder."

Other regional dishes include green corn tamales and flat *enchiladas* — a small pancake-like dish.

Many prominent personages from Mexico fly to Tucson just eat. Cantinflas, the actor, and *El Saucito*, Mexico's biggest tequila company, are aficionados of Tucson's Sonoran-style cooking.

Even lunch counters like the 50-year-old Rapido across from the Tucson Museum of Art are claimed as a gourmet's delight.

Rapido, in the same family size 1932, came by its name because Armando Perez, the founder, was first in Tucson to use an automobile to deliver food, in 1930. Plymooth.

For 50 years, customers have been lining up at midday outside the tiny food stand to buy red chile *burritos*.

Her great-aunt, Monica Flin, owned El Charro and ran the restaurant's kitchen from 1922 until her death in 1976 at the age of 94. She is a Tucson legend.

Every morning at 7 a.m., Flores prepares 50 pounds of beef on a clothesline in a cage that he hauls up a 50-foot-high pole outside El Charro.

The beef is sun-dried for nine hours, then brought down, steamed, run through a tenderizer and later marinated with oils and spices, fried in lard, then saturated with lime juice. This is *carne seca*, one of the most eagerly sought-after foods in town.

"*Carne seca* is one of many Mexican dishes that originated here in Tucson," Carlotta Flores said. "Chimichanga — deep-fried *tortillas* — is another dish that originated in Tucson. My great-aunt, Monica Flin, had a lot to do with the creation of *chimichanga*."

The Floreses say *tostadas con queso* — melted cheese on tortillas — were first served in Tucson.

In Tucson restaurants, 18-inch-diameter wafer thin *flour tortillas* covered with melted cheese are served on pedestal dishes.

Dr. Michael Lane, head of the Center for Prevention Services at the Centers for Disease Control, which oversees quarantine regulations, said two more signatures by council members were needed.

Quarantine Rule For Entry to U.S. May Be Revised

United Press International

ATLANTA — New U.S. foreign quarantine regulations listing diseases capable of creating a public health threat are expected to be signed into law soon by President Ronald Reagan.

The regulations were last fall revised in 1956. The new regulations delete many diseases, with which quarantine officers at U.S. ports of entry will no longer be concerned but adds others in could, bar or delay entry of travelers. The additions include *la* *marburg*, *ebola*, *congo* *measles* and some other viral hemorrhagic fevers that occur in tropic climates, particularly Africa. They are highly contagious and have fatality rates up to 50 percent.

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